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Southeast Asia Report

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JPRS-SEA-86-061

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SOUTHEAST ASIA REPORT

CONTENTS

AUSTRALIA

Report Views Prospects for Trade in Pacific
(Melbourne Overseas Service, 19 Mar 86) 1

Hawke Stresses Importance of Trade With Japan
(KYODO, 26 Mar 86) 2

Briefs
Government, Opposition Condemn Libya 3

INDONESIA

East Timor Factions To Merge Operations
(Lisbon Domestic Service, 24 Mar 86) 4

Legal Group Condemns Attempt to Disbar Lawyer
(AFP, 21 Mar 86) 5

Muslim Shiite Militants Sentenced for Bombings
(AFP, 24 Mar 86) 6

Briefs
Oil Export Value Declines 8
1986 Rice Production 8
Repatriation of Tribesmen 8
Correspondent's Permit Withdrawn 9

LAOS

Commentary Scores Reagan on Libya Moves
(PASASON, 9 Jan 86) 10

Luang Prabang-SRV Province Cooperation Described
(S. Thalalai; PASASON, 10 Feb 86) 12

'Talk' Blames 'Warmongering' Thai Military for Tension
(PASASON, 9 Jan 86) 14

'Talk' on Domestic Thai Politics. Border Violations
(PASASON, 10 Feb 86) 16

Construction Chief Cites Obstacles To Management Reform
(Sengphet Thepvongsa; PASASON, 8 Jan 86) 17

Luang Prabang Electricity Production Reported
(Kiongmali; PASASON, 8 Jan 86) 18

Mineral Resources Department Reports Tin Production
(PASASON, 9 Jan 86) 19

Editorial Seeks Stepped-Up Security Measures
(PASASON, 10 Feb 86) 20

Briefs
Vientiane Rice Crop 22
Houa Phan Export Trade 22
Bolikhamsai Logging 22
Export-Import Statistics, Domestic Trade 22

PHILIPPINES

Government Decides on Single List of Detainees
(Willy Jose; TIMES JOURNAL, 21 Mar 86) 23

Paper Urges Stopping of Possible 'Marcos Cult'
(Editorial; PHILIPPINE DAILY INQUIRER, 17 Mar 86) 25

Marcos' 'Disguised Payoff' Deal to Businessman
(Noel Velsasco; PNA, 24 Mar 86) 27

Discovery Confirms Ver Spied on Officers
(Dioisio Pelayo; THE NEW PHILIPPINES DAILY EXPRESS,
20 Mar 86) 30

Government Reacts To Increase in Squatter Activity
(BUSINESS DAY, 19 Mar 86; TIMES JOURNAL, 21 Mar 86) 32

Interagency Meeting Held, by Alejandro V. Almazam 32
Official Measures Planned 34

BUSINESS DAY on Ways To Meet IMF Conditions on National Budget
(Conrado R. Banal; BUSINESS DAY, 18 Mar 86) 35

Government Plans Expense Cuts To Counter Deficit
(Vicente B. Foz; MANILA BULLETIN, 21 Mar 86) 38

Central Bank Figures Show Drop in Public, Private Borrowing
(BUSINESS DAY, 19 Mar 86) 40

Government Board of Investments Reorganized
(BUSINESS DAY, 20 Mar 86) 42

Invested Capital Declines in February
(MANILA BULLETIN, 21 Mar 86) 43

Land Transport Commission Gets New Head
(MANILA BULLETIN, 19 Mar 86) 44

Import Liberalization Plan To Begin in May
(Danile C. Yu; BUSINESS DAY, 21 Mar 86) 45

Consumer Goods Imports Rise Nearly 20 Percent
(BUSINESS DAY, 20 Mar 86) 47

Maceda Says RP Logs 'Smuggled' to Japan, Taiwan, ROK
(KYODO, 21 Mar 86) 48

Agriculture Loan Fund Concentrates on Bananas
(MANILA BULLETIN, 21 Mar 86) 50

Food Authority To Resume Palay Procurement
(MANILA BULLETIN, 21 Mar 86) 51

Transportation Fares, Power Rates Lowered
(Manila Far East Broadcasting Company, 20 Mar 86) 52

VIETNAM

MILITARY AFFAIRS AND PUBLIC SECURITY

Moonshiners Arrested in Hong Bang Ward
(HAI PHONG, 18 Dec 85) 53

Professional Moonshiner in Dong Hoa Village Prosecuted
(Xuan Thu; HAI PHONG, 20 Dec 85) 54

Districts Take Action To Control, Prosecute Moonshiners
(Le Vu; HAI PHONG, 20 Dec 85) 56

Briefs
Ngo Quyen Smugglers, Speculators 58

PARTY ACTIVITIES AND GOVERNMENT

Briefs
Hanoi Youth Camp Visited 59

ECONOMIC PLANNING, TRADE, AND FINANCE

Exploration Prerequisite for Socioeconomic Development
(Editorial; NHAN DAN, 31 Dec 85) 60

Problems With Joint Enterprise Discussed
(Ngoc Son; DOC LAP, 11 Dec 85) 62

Haiphong, Enterprises Cooperate in Producing Goods
(HAI PHONG, 17 Dec 85) 66

Paper Reviews Labor, Population Redistribution
(Hanoi Domestic Service, 18 Mar 86) 67

NHAN DAN on Supply, Transportation Problems
(Khanh Quang; Hanoi Domestic Service, 18 Mar 86) 69

Briefs
Problems With Joint Business Activities 74

HEAVY INDUSTRY AND CONSTRUCTION

State Official Outlines Gas, Oil Situation
(Tran Ngoc Toan Interview; TO QUOC, Feb 86) 75

Construction Commission Reviews 1985 Tasks
(Hanoi Domestic Service, 19 Mar 86) 78

LIGHT INDUSTRY

Worker Complains About Shortcomings in New Pricing System
(Nguyen Thi Thanh Thuy; LAO DONG, 19 Dec 85) 79

TRANSPORTATION AND COMMUNICATIONS

Report on Building Nam Touang Bridge in Laos
(Quoc Khanh; NHAN DAN, 21 Feb 86) 81

LABOR

Resolution Covers 1986-1990 Trade Union Tasks in Agriculture
(LAO DONG, 19 Dec 85) 82

HEALTH, EDUCATION, AND WELFARE

Secretariat Issues Circular on Sports Games
(Hanoi Domestic Service, 22 Mar 86) 88

POPULATION, CUSTOMS, AND CULTURE

More Families Leave Hanoi To Build New Economic Zones
(NHAN DAN, 28 Dec 85) 90

PUBLICATIONS

Table of Contents, TAP CHI KE HOACH HOA, August 1985
(TAP CHI KE HOACH HOA, Aug 85) 91

POPULATION, CUSTOMS, AND CULTURE

More Families Leave Hanoi To Build New Economic Zones
(NHAN DAN, 28 Dec 85) 90

PUBLICATIONS

Table of Contents, TAP CHI KE HOACH HOA, August 1985
(TAP CHI KE HOACH HOA, Aug 85) 91

AUSTRALIA

REPORT VIEWS PROSPECTS FOR TRADE IN PACIFIC

BK190928 Melbourne Overseas Service in English 0830 GMT 19 Mar 86

[Text] The federal government has tabled a report in Parliament on Australia's role in economic cooperation with countries of the Pacific region. The report has identified four issues critical to Australia's efforts to achieve closer economic cooperation with the region.

The issues are international trade, development and trade in minerals and energy, the impact of China's modernization on the Pacific economy, and economic development within the Association of Southeast Asian Nations.

The report says the years ahead will be particularly testing for Pacific trade diplomacy because of the protectionist mood in the major industrial economies and the effect of the U.S. economy and dollar on regional trade growth.

The report has found that one of Australia's major objectives in its Pacific economic cooperation activites should be the expansion of its economic relationship with China. It says the ASEAN is at a turning point in its development after a period of significant growth and political consolidation and it could take a more prominent role in the Pacific economic cooperation.

The report says that Australian participation in the activities of the Pacific economic cooperation conference should complement government dialogues with countries within the Pacific region.

/9599
CSO: 4200/829

AUSTRALIA

HAWKE STRESSES IMPORTANCE OF TRADE WITH JAPAN

OW260047 Tokyo KYODO in English 0043 GMT 26 Mar 86

[Text] Melbourne, March 26 (KYODO)--Australian Prime Minister Robert Hawke said Tuesday it is vital for his country to maintain its position as a major supplier of primary products, like coal and beef, to Japan.

He made the remarks in a speech to a symposium on Australia-Japan relations, which opened Tuesday in this southern Australian city.

Japan has been the largest importer of Australia's produce, but in recent years, the Australians have been concerned about the erosion of their share in the Japanese market at the hand of the United States, Canada, and Brazil.

Australia is particularly concerned that Japan may sharply increase imports of American products as a way of reducing its huge trade surplus with the United States.

In an apparent reference to the delicate bilateral relations, Hawke said he appreciated a statement made by Japanese Prime Minister Yasuhiro Nakasone that Japan's imports of primary commodities will continue to be conducted "strictly on a commercial basis," and will not be affected by "pressure from any third country."

In his speech, Hawke also underscored the importance of further liberalization of trade in agricultural products.

The next round of multilateral trade negotiations should discuss the problem of government subsidies to agricultural products for export, he said.

/9599
CSO: 4200/629

AUSTRALIA

BRIEFS

GOVERNMENT, OPPOSITION CONDEMN LIBYA--The Australian Government and the federal opposition have condemned Libya for attacking American aircraft in international waters in the Gulf of Sidra. The minister for foreign affairs, My Hayden, said the gulf was recognized as international waters by both the United States and the Soviet Union. He said the American counter action was in response to a Libyan attack on its forces. The United States says its Navy has destroyed four Libyan patrol boats in the Gulf of Sidra and fired on a landbased missile site in response to what it called an unprovoked attack. The opposition spokesman on foreign affairs, Mr Peacock, described the American response as being proportionate and necessary. He said Libya's claim to the gulf was spurious and contrary to international law. Meanwhile, security has been stepped up at American and Libyan diplomatic missions in Australia because of the military conflict. [Text] [Melbourne Overseas Service in English 0130 GMT 26 Mar 86] /9599

CSO: 4200/829

EAST TIMOR FACTIONS TO MERGE OPERATIONS

LD242344 Lisbon Domestic Service in Portuguese 1900 GMT 24 Mar 86

[Text] In East Timor the UDT [Timor Democratic Union] and Fretilin [Revolutionary Front for an Independent East Timor] are going to engage in joint actions in the struggle against Indonesian occupation. In Lisbon today the two organizations held a press conference.

At the press conference held in Lisbon today the top leaders of the two Timorese political organizations disclosed that a firm consensus has already been achieved between them on the question of advocating the setting up of a Western-type democratic regime in East Timor. They described as positive and significant the reference made by President Mario Soares in his inaugural speech to Portugal's responsibilities in the defense of the Timorese people's right to self-determination and independence.

The reasons for this nationalist convergence between Fretilin and the UDT were explained by the Fretilin's Abilio Araujo as follows:

[Begin Araudo recording] This development is above all the result of the realization of a bitter and painful reality, that of the threat of genocide looming over the Maubere people and the need to respond to that threat by uniting all the fighting forces of East Timor around the resistance fronts. [end recording]

[Words indistinct] will not mean that either of these political movements will relinquish its character and principles, as we heard from the UDT's Moises Amaral:

[Begin Amaral recording] The UDT affirms its character of a political organization situated in the Christian-Democratic section of the political spectrum. With regard to East Timor, it argues that its people's identity results from Portugals' centuries-old presence on its territory. This presence subsequently contributed to making more evident an entity that already existed to some degree before this contact with Portugal began. [end recording]

/9599
CSO: 3442/161

LEGAL GROUP CONDEMNS ATTEMPT TO DISBAR LAWYER

HK211242 Hong Kong AFP in English 1200 GMT 21 Mar 86

[Text] Jakarta, March 21, (AFP)--Indonesia's Legal Aid Society (LBH) Friday condemned a Jakarta judge's attempt to have human rights lawyer Adnan Buyung Nasution disbarred and said it could be the death knell for the legal profession in Indonesia.

LBH director Mulya Lubis said in a press conference that the move Wednesday, based on alleged contempt of court, was outside normal practice.

Mr. Lubis said the judge, Justice Soebandi of the Central Jakarta District Court, had no right to make his disbarrment recommendation to the Justice Ministry in the form of an administrative decree.

Mr. Nasution, a leading human rights lawyer and a founder of the LBH, was cited for contempt of court in two instances when he remonstrated with judges during the trial of prominent Indonesian dissident retired General Hartono Rekso Dharsono, now jailed on subversion charges.

"This might be the death knell for the legal profession in Indonesia. In future lawyers will be afraid to do anything that might be construed as contempt, because contempt has yet to be defined," Mr. Lubis said.

Without an existing law on contempt, or a definition, the Indonesian Bar Association (IKADIN) should be the appropriate body to recommend disbarrment, he said.

Mr. Lubis said he "deplored" the interference of what he called "outsiders" in a case which should be left to members of the legal profession, and the judge's use of an administrative decree, making the public think a ruling was already in effect.

Mr. Nasution left Indonesia early Friday to attend an International Commission of Jurists' meeting in Geneva. He told AGENCE FRANCE-PRESSE Thursday that he was awaiting a decision from the Justice Ministry before taking any action on the matter.

The LBH has not taken any official action on the matter other than holding a seminar on contempt and a press conference, Mr. Lubis said, indicating that the matter was best left to IKADIN.

/6662
CSO: 4200/831

INDONESIA

MUSLIM SHIITE MILITANTS SENTENCED FOR BOMBINGS

HK241320 Hong Kong AFP in English 1253 GMT 24 Mar 86

[Text] Malang, Indonesia, March 24 (AFP)--Judges in three separate subversion trials Monday handed down jail sentences of up to 20 years to three Moslem Shi'ite militants for involvement in a series of bombings in Central and East Java.

Achmad Muladawilah, 25, a student, was sentenced to 20 years imprisonment after being found guilty of the Christmas Eve bombings of two Christian institutions in Malang in 1984 and of partially destroying Central Java's legendary Borobudur Buddhist Temple on January 21, 1985.

The Borobudur Temple bombing destroyed nine 9th-century stone stupas and six Buddhas but caused no casualties.

The presiding judge told the court he saw a "connecting threat" between the group to which Muladawilah belonged and the group of Amir Biki, a Moslem preacher shot dead along with at least 30 others when troops opened fire on Moslem rioters in Jakarta in September 1984. He did not elaborate.

The court said Muladawilah was guilty of subversion and had tried to spread unrest and anti-government feelings between May 1984 and March 1985.

Muladawilah's defence lawyer and the prosecution, which had demanded the death penalty, both said they would reconsider all facts before deciding whether to appeal the verdict.

Eyewitnesses sais that more than 2,000 people, prevented by tight security from entering the court, crowded the courtyard outside.

When Muladawilah heard the verdict he offered the prosecutor a white linen sheet which he said symbolized death.

In a second trial, Abdul Kadir Ali al-Habsyi, 24, also a student, was jailed for 20 years for his involvement in a 1985 bus bomb explosion in East Java in which seven people were killed.

Ali al-Habsyi and Muladawilah belonged to the same Moslem Shi'ite militant group. The judges in both trials said the group was plotting to establish an Islamic state in Indonesia through violence.

Al-Habsyi was caught in March 1985 when the explosives he and three others were carrying accidentally blew up in an intercity bus in Banyuwangi, on the eastern tip of Java, killing seven including his three friends.

The prosecution and defence asked for time to consider an appeal.

The third defendant, Abdul Kadir Barazak, 41, a furniture salesman, was sentenced to 13 years in jail for providing the explosives used by the group.

Barazak was found guilty of arranging for the sale of 60 kilograms (132 pounds) of explosives and 40 detonators in Teluk Betung, South Sumatra, in December 1984.

He had already served a five-year jail term between 1978 and 1983 for involvement in an Islamic extremist group, which the prosecutor said at the time was trying to establish a Moslem state in Indonesia.

/6662
CSO: 4200/831

INDONESIA

BRIEFS

OIL EXPORT VALUE DECLINES--Jakarta, March 24 (AFP)--The value of Indonesia's oil exports plummeted by 23.5 percent to 8.9 billion dollars in 1985 from 11.7 billion dollars in calendar 1984, according to provisional data released by the Central Bank Monday. The figures for the 12 months from January through December 1985 include crude oil and oil products and show that the lowest export earnings occurred in the first half of the year, when overpriced Indonesian crudes were suffering severe marketing problems. The figures however showed a modest rise in liquefied natural gas (LNG) earnings which rose from 3.4 billion dollars in calendar 1984 to 3.8 billion in calendar 1985. LNG earnings in the first month of 1986 showed a decline over the same month of 1985, falling in both value and volume from 344.8 million dollars to 339.3 million. All current LNG exports go to the Japanese market. No figures were given for January 1986 oil and product exports. [Text] [Hong Kong AFP in English 1347 GMT 24 Mar 86 HK] /6662

1986 RICE PRODUCTION--Jakarta, 20 March (AFP)--Indonesia is to control its 1986 rice production in a bid to avoid an oversurplus of rice, Vice Minister for the Increase of Food Production Wardoyo was quoted Thursday as saying. The daily SUARA KARYA quoted Mr Wardoyo as saying the government would try to limit this year's rice production to 26.867 million tons, representing a bare 1.4 percent increase over 1985's production of 26.537 million tons. "An oversurplus of rice many not always bring a positive impact," Mr Wardoyo said Tuesday, pointing at the 414.4 billion rupiah (about 361 million dollars) the government would have to pay during the 1986/87 budget year starting 1 April for the storage of some two million tons of rice surplus. Rice production growth in the past 5 years was at 10.56 percent for 1981, 2.46 for 1982, 5.12 for 1983, 7.6 for 1984 and 2.7 percent for 1985, according to figures from the national food logistic board (Bulog). Mr Wardoyo said production growth for other food crops, now strongly encouraged by the government, was estimated this year to reach 32 percent for maize, 44 percent for green beans, 50 percent for soybean and 15 percent for cassava. [Text] [Hong Kong AFP in English 0456 GMT 20 Mar 86] /12640

REPATRIATION OF TRIBESMEN--Jakarta, 21 March (AFP)--The authorities in Sarawak are to repatriate 129 tribesmen that crossed into East Malaysian state from the neighboring Indonesian province of Ease Kalimantan, a newspaper here reported on Friday. KOMPAS quoted East

Kalimantan Provincial Secretary Rustam Hafiedz as having said the border-crossers would soon be transported by Indonesian helicopters to a resettlement camp currently being prepared by the Indonesian Government. Mr Hafiedz did not say why the 129--all Dayak tribesmen--were being returned. But provincial officials were quoted as having said the official reason given by the Sarawak authorities has been that the nomadic Dayak were destroying forests. The officials added that there might be "another reason," but did not elaborate. Mr Hafiedz said the 129 represented only a small percentage of the Indonesians that had crossed into Sarawak. Information about the number of Indonesians living in Sarawak was not immediately available. This is the first time Sarawak has officially sought Indonesian Government help to repatriate tribesmen, KOMPAS said. [Text] [Hong Kong AFP in English 1039 GMT 21 Mar 86] /12640

CORRESPONDENT'S PERMIT WITHDRAWN--Jakarta, 17 March--Lincoln Kaye, correspondent of the FAR EASTERN ECONOMIC REVIEW magazine in Indonesia, yesterday left Jakarta for Hong Kong. A source told SINAR HARAPAN that Kaye's stay permit will not be renewed by the authorities because of a number of negative articles he has written about the country. However, his wife and children are being allowed to remain in Jakarta until June 1986 because his children must complete their studies before leaving. Kaye's articles, published by the Hong Kong-based magazine on 23 January 1986 (on H.R. Dharsono's trial), on 27 June 1985 entitled "the killing time," and on 27 June 1985 (on the Indonesian armed forces reorganization), were considered to be undesirable by the authorities. [Text] [Jakarta SINAR HARAPAN in Indonesian 17 Mar 86 p 1] /12640

CSO: 4213/116

COMMENTARY SCORES REAGAN ON LIBYA MOVES

Vientiane PASASON in Lao 9 Jan 86 p 1

[Commentary: "Reagan's Anti-Libya Attitude Is Being Disclosed"]

[Text] Libya is an independent Arab country located in the northern part of the African continent. For many years the Washington administration included Libya on a list of enemies of the United States. During this time Washington organized in every way against Libya by carrying out anti-Libyan schemes. Since the day Reagan came to power in the White House he has worked in cooperation with the CIA on schemes to cut off Libya. These schemes have been exposed by the U.S. mass media themselves. In order to cover their warmongering faces and continue finding fault and excuses against Libya, Reagan recently used the attack of the so-called terrorists at the airport in Rome, Italy, and in Vienna, Austria, where 19 were killed including 5 Americans, by saying that the terrorists had been supported by Libya.

Reagan started to ask his allies to carry out an economic blockade against Libya and also acted as an instigator by inciting Israel to carry out a Libyan attack. However, Reagan's attempts failed. The lack of agreement by the allied nations toward his actions demonstrated the disapproval of many nations, even the NATO nations, which are allies of the U.S.

By clearly seeing Reagan's ever clever and cruel schemes, the representatives of the countries attending a conference of the Islamic Nations Organization in the capital of Tunis made an official statement resolutely supporting Libya and condemning the collaboration between Washington and Israel in creating tensions in the region.

As everyone knows, since the day Libya became independent the Libyan government has carried out progressive policies that have eliminated all military interference by the United States and Great Britain. The Libyan foreign policy that is against all outside interference has been supsported by the countries in the area and throughout the world. The progressive Libyan policy has made Libya one of the Arab nations and African nations to oppose the Zionism of the Israeli expansionists and the racial discrimination of Pretoria, and it has also become a serious and heavy blow against the powerful forces led by the American imperialists.

The justification used by the American imperialists to cut off Libya clearly shows that Reagan has always been a warmonger and an initiator of all forms of war against Libya and that the schemes had been prepared long in advance.

This collaboration between Washington and Israel will increase the threat of war in the Middle East, which will not only be a direct threat against peace and security in the Middle East but also against world peace. The American imperialists and the Israeli invaders must be responsible for all the incidents that have occurred. It is certain that the Libyan people will fight back resolutely to protect their national independence and the independence of all the Arab nations, and the American imperialists and Israeli invaders will also be widely condemned by world opinion.

9884/12913
CSO: 4206/65

LUANG PRABANG-SRV PROVINCE COOPERATION DESCRIBED

Vientiane PASASON in Lao 10 Feb 86 pp 2, 4

[Article by S Thalalai: "The Symbol of Cooperation Between Luang Prabang and Ha Son Binh"]

[Text] The veterinary center of Luang Prabang Province is located in Ban Na Louang, Sangkhalok Canton, District and Province of Luang Prabang, approximately 3 km southwest of Luang Prabang District along Route 13. It is the outcome of the special solidarity between Laos and Vietnam in general and in particular of the cooperation between the twin provinces of Luang Prabang and Ha Son Binh.

Construction for the project was funded by the government of the SRV via Ha Son Binh Province people's committee, which was directly responsible for building it. Construction began in May 1982. In January 1986 an official ceremony was held to hand it over to Luang Prabang Province.

The veterinary center is able to produce and serve the plans to expand different kinds of animal husbandry within the province. It can also serve the northern provinces if environmental conditions permit. Each year it produces assorted medicines, approximately 3,500 grams of medicine for cholera in pigs and buffalo, 1,500 liters of different serums, and over 100 liters of germicide and hog parasites. There are five construction projects, including a building for disease examination, an office building for cadres, and building for production and manufacturing, a building for making glass, and a pig pen. There are seven other items--a water reservoir, fence system, gates, lavatory, a road system within the center, and electrical and water systems. The area of roofed housing units is 425.51 square meters. There are 9 items of equipment for producing and manufacturing, and there are 11 items of office equipment. The veterinary center is of fourth class which will last 15 to 20 years. The total cost of construction is 3,631,374 Vietnamese dong.

Luang Prabang also put 11,990 kip into the construction fund. On its completion the veterinary center that was given to Luang Prabang by its twin province Ha Song Binh of the SRV has become a symbol of the special solidarity and all-round and long-term cooperation between Luang Prabang

and Ha Son Binh provinces that has steadily borne fruit. It has helped to enrich and strengthen the economic and cultural expansion of the province throughout the phase of defending the nation and constructing the future of socialism. It also indicates the correct and effective implementation of the agreement between the party and government of the LPDR and the party and government of the SRV, and the implementation of the agreement between the party committee and the administrative committee of Ha Son Binh Province and the party committee and the administrative committee of Luang Prabang Province that was signed on 7 October 1981 regarding mutual cooperation and mutual assistance in the First 5-year Plan of the government (1981-1986).

In order to continue the all-round cooperation and mutual assistance both in the immediate future and for the long term, the veterinary center in Luang Prabang Province has proposed in the Second 5-year Plan a plan via the administrative committee in Luang Prabang and the people's committee in Ha Son Binh to continue to strengthen cooperation between the two veterinary centers, for example, by improving manufacturing quality and techniques, helping in training specialized task cadres, and also by exchanging technical experience in order to become more efficient.

9884/9738
CSO: 4206/81

'TALK' BLAMES 'WARMONGERING' THAI MILITARY FOR TENSION

Vientiane PASASON in Lao 9 Jan 86 p 3

["Talk" Column: "Thailand Is a Lever for Carrying out Expansionism in Southeast Asia"]

[Text] Everyone knows well that the tensions in Southeast Asia come from expansionist and hegemonist policies that cause a confrontation between the two groups, ASEAN and the Indochinese group of nations, a confrontation which is against the wishes of the people in this area who want to live together in peace.

Military groups in some countries in ASEAN, especially the reactionary warlords and the Thai powerholding clique who still agree on the warmongering policy, are willing to put an enormous amount of money, the national property, into military policies with no regard for the living conditions of the people in the country. According to official figures from Thailand, the Thai military budget this year is 39 billion baht, or one-fourth of the national budget. The nation's debt is $27 billion, and it is expected to increase to $30 billion next year. This will be followed by unavoidable economic and social crises.

To confront such economic and social problems, the reactionary authorities in the Thai powerholding clique can only beg for sympathy from the imperialist countries and the reactionaries who are their masters.

Seeing this good opportunity, the Chinese expansionists and hegemonists, who were embarrassed because of the defeat of their genocidal policy in Cambodia that had been implemented prior to 7 January 1979 and because of their hope for the routed Pol Pot clique now hiding in Thailand to return to seize Cambodia so it will become their colony where they can once again carry out the genocidal policy of the Chinese powerholding clique--the Chinese leaders of various levels are taking turns to persuade and deceive the Thai military authorities.

Visiting Thailand at the end of last month, Mr Wu Xueqian, the Chinese foreign minister, promised the Thai ultrarightist reactionary leaders that he would give continued support and assistance if the Thai would provide a place for the Khmer reactionary exiles. Fearing problems in making contact, the Chinese even installed a "red telephone" for them. The actions of the United States

are no different than those of China, and fearing that the Thai reactionary authorities would not be satisfied, the United States quickly and on a regular basis sent high-level officials to persuade the Thai reactionary authorities and recently sent a representative to Thailand to make them understand and concur in the $5 million of aid for the Khmer reactionaries.

This alone will be enough to support the military reactionaries in the Thai powerholding cliques, who are ambitious and are already dreaming of territorial expansion and who are willing to act as a lever and primary support for the imperialists and international reactionaries against the Indochinese nations, and especially against the revival of the Cambodian people. They have probably forgotten the proverb that says: "There is no honor among thieves."

9884/12913
CSO: 4206/65

'TALK' ON DOMESTIC THAI POLITICS, BORDER VIOLATIONS

Vientiane PASASON in Lao 10 Feb 86 pp 3, 4

["Talk": "The Tricks and Wrongdoings of the Thai Ultrarightist Reactionaries Are Revealed"]

[Excerpt] The conflicts in the Social Action Party and in the government of Prime Minister Prem Tinsulanonda are so strong that Kukrit Pramote, the leader of the Social Action Party, has resigned, and several posts in the government were changed. Although there were conflicts that led to a change in several government posts, the Thai government is still the same, and it has the same domestic and foreign policies, for example, the policies of the Social Action Party which have helped maintain Beijing-Bangkok ties for 10 years and which are a basic policy of the present Thai government. Even though Mr Boontheng Thongswasdi was fired from the post of deputy prime minister and replaced by Mr Siddhi Savetsila, nothing was gained by this and the Thai ultrarightist reactionaries distracted the Thai people from the internal confusion by shouting and creating a noisy story along the Thai-Cambodian border to slander Vietnam and the PRK. Their most shameless act was recently when the Thai ultrarightist reactionaries in the Bangkok power clique used the mass media to accuse Laos by saying that Lao soldiers had violated Thai territory and many other things. The purpose of the accusation is to poison world opinion and turn the people's attention away from the starvation and hardships they are facing. However, the truth is still the truth. The loud cries of tricks that are meant to slander others in order to cover up their own evil has been used so much by the Beijing reactionaries toward Vietnam that they have become so used to it that it no longer works. Thus, when the Thai ultrarightist reactionaries used Beijing's tricks in slandering the others mentioned above, they were certainly able to deceive no one at all. On the contrary, they help the people in the region and also the Thai people to see more clearly the policy of collaboration that the Thai ultrarightist reactionaries have with the Chinese expansionists and hegemonists. The Thai people will clearly understand that the crises and the hand-to-mouth hardship they are now facing comes only from the reactionary policy of the Thai power-holding clique, and from nothing else.

9884/9738
CSO: 4206/81

CONSTRUCTION CHIEF CITES OBSTACLES TO MANAGEMENT REFORM

Vientiane PASASON in Lao 8 Jan 86 p 2

[Views of Comrade Sengphet Thepvongsa, assistant chief of Route 1 construction, on economic management reform; date and place not specified]

[Excerpt] Since April 1985 our company has been turning to the new machinery step by step. Our company has not been able to carry out the newly issued regulations as it should because its business remains of the administrative subsidy type; the administrative component is still large, salaries and wages are mostly paid on the basis of season and longevity. Economic contacts with other sections, for example, agreements on purchase and sales of materials, still face problems. In order to organize to make the temporary regulations effective, in the immediate future our Route 1 construction company will begin a course for cadres and workers throughout our company so that they will understand the contents of the temporary regulations and realize their serious duty along with their past shortcomings for the benefit of future improvement. We will also issue regulations within our company which are more appropriate and in accordance with the new temporary regulations for the purpose, for example, of improving the organization for the proper assignment of cadres and clearly stating the rights, duties, and benefits of the workers. Also, a company council will be set up based on actual conditions, and the mass organizations such as the youth union, the women's association, and the trade union will be improved and strengthened. We will do whatever we can to promote our company's construction work and business so that the socialist economy can advance.

9884/12913
CSO: 4206/65

LUANG PRABANG ELECTRICITY PRODUCTION REPORTED

Vientiane PASASON in Lao 8 Jan 86 p 2

[Article by Kiongmali: "Luang Prabang Electricity in the Past 10 Years"]

[Excerpts] Over the past 10 years the cadres, workers, and government employees of the State Electrification Enterprise in Luang Prabang Province have been very responsible and have carried out orders with determination. They have done an effective job of carrying out the goals of their work section. As a result, the production figures have increased steadily from the not-yet high technical specialized task to fairly skilled ones, and they are now able to control the power distribution on a normal basis. They continue to promote their spirit of ownership of the country and protect public property very well. Their achievements demonstrate progress and strength in the following ways: In 10 years they were able to produce a total of 54,467,400 kWh and distribute 34,156,852 kWh. They also repaired the electric generator in the Nam Dong dam and in dams that use fuel oil 350 times, and they followed up and protected the power lines and distributions boxes so that they would work well. They installed an electrical generator for a water pumping station in order to help the irrigation work expand for the purpose of agricultural production. They expanded the electricity network into the outskirts of districts and into villages and cantons, for example, one generator in the Siang Gneung District Office, and in Ban Long Lun, Phou Song, and in Ban Khonkham, Pak Ou District.

Along with promoting and protecting the enterprise to attain a high rated efficiency and pushing forward the emulation operation in order to meet the production figures set for the Luang Prabang Province State Electrification Enterprise, the comittee responsible for the enterprise is also working in cooperation with foreign experts to survey possible sites for building hydroelectric plants.

9884/12913
CSO: 4206/65

LAOS

MINERAL RESOURCES DEPARTMENT REPORTS TIN PRODUCTION

Vientiane PASASON in Lao 9 Jan 86 p 1

[Article: "Achievements in the First 5-Year Plan of the Tin Survey Section"]

[Text] The tin survey section in the Pathen water reservoir area in Khammouan Province under the Geology and Mines Department of the Ministry of Industry, Handicrafts, and Forestry is a cooperative Lao-Soviet project for 1980-85, the First 5-Year Plan of the government for economic development. The tin survey for the purpose of mining and supplying the tin mining factory has been completed for the 6.5 million tons of tin resources as indicated in the plan.

Comrade Phaichit Sengmani, chief of the tin survey section, told us that the surveying, exploring, and assessing of tin in the Pathen Basin area and the survey for raw tin to supply three tin production plants and to look for data to determine the cumulative amount of tin in the Phon Tieu, Bo Neng, Nong Seun, Tham Seua, Ban Pha Lem, and Ban Sao areas resulted in a total of approximately 30.32 million tons of ore containing 71,000 tons of metallic tin. The basic measuring process of the tin survey has now been completed. They also calculated the definite amount of tin in the Pathen water reservoir area to be 29,336 million tons containing approximately 66,975 tons of metallic tin content of at least 0.20 percent. In the past 5-year period they also succeeded in a preliminary search in the five [SIC] districts of Mahasai, Gnommalat, Boualapha, Khamkut, and also assesssed the tin and gold resources in the area.

Previous achievements in each aspect of the task were to collect 10,908 chemical samples and 869 panning samples, re-inspect 12 groups, dig 15,227 cubic meters of ditches, dig a well 833 meters deep, do a survey drill 28,561 meters deep, collect 28,561 samples, test industrial minerals 4 times, cut a 493-km road and construct 102 km of road, mark 2,155 sites on the survey map, analyze the brightness of 18 elements with 25,688 samples, make chemical analyses of 6,800 samples, do x ray analyses of 37,430 samples and 57 autopsies, analyze dirt and chemical elements in 340 samples, and crush 25,740 mineral samples.

When the survey was half-finished, the tin survey section let the factory mine and manufacture the tin for distribution.

Caption

This year 209,000 tons of tin were mined and hauled to the processing plant in the Pathen basin area. Picture: Sakda (KPL)

9884/12913
CSO: 4206/65

EDITORIAL SEEKS STEPPED-UP SECURITY MEASURES

Vientiane PASASON in Lao 10 Feb 86 pp 1, 3

[Editorial: "Struggle to Resolutely Carry Out Our Strategic Duty in National Defense"]

[Text] The plenum of the third party congress clearly states that "we must determinedly build up and strengthen in every way our national defense and public security forces which consist of regular forces, [mass military forces] and security forces. We must always be ready to fight and to become the sharp dictatorial tool of the party." This is the first duty that we are all required to fulfill.

In 1985 the military and public security forces that understood the policy of strongly turning to the grassroots constructing the people's battlefields throughout the nation. The people of ethnic groups supported them and participated in them. They worked in effective cooperation politically, economically and culturally, resulting in strong and brave forces that were able to dismantle and defeat the enemies' schemes and destructive movements all along. An outstanding one was when we destroyed the remnant looters' schemes to create unrest, captured many enemy spies, guaranteed absolute safety for the celebration of the two historic days and for the population census nationwide, and strongly defended our land. The grassroots and operations in all localities have all clearly been changed, and this continues to ensure peace and order throughout the nation.

In 1986 the plenum of the ninth central party congress has set the direction and primary duty for national defense. This is to continue turning strongly to the grassroots and improving the dictatorship of the proletariat at different levels, guaranteeing national defense and security, and having the revolution of the masses in all localities and grassroots to change in every way. Meanwhile, we must attentively combine the economy, national defense and security better than before. We must mobilize and organize military units that can participate in economic construction including cultivation, animal husbandry, forestry and manufacturing, working on irrigation on contracts, constructing communications routes, etc. Meanwhile, we must mobilize and make full use of the ability of the grassroots in national defense to serve production, e.g., agriculture, communications and transportation, and production of household goods and export goods.

The present situation demands that we increase security work in the grassroots in order to resist the [enemies'] schemes for peaceful change. We must search for and get rid of the scions of unrest in a timely manner. The problem that we should pay attention to now is to mobilize and train the masses so they will clearly understand and voluntarily carry out their military obligation as good citizens, and then mobilize more youth to become soldiers. We must also pay attention to the standard of living materially and spiritually of those who work at the front line of the army and at the rear; we must train them to be conscious and thrifty in building and army and in maintaining weapons and war equipment; we must train them to be revolutionary cadres and combatants. No matter where it is, the army must work together to boost production, construct the economy, expand culture, and construct strategic areas with determination, and to construct guerrilla units and self-defense and public security forces throughout. They must be effective and have sufficient ability to attack the enemies and protect the peace, security and order of localities and the grassroots.

National defense is the first strategic duty of the entire parties, armies and the entire people, and it now includes everything starting from defending the nation's independence, territorial integrity, the new regime, the people's standard of living, physical work, economic and cultural bases, offices and organizations, and population bases, including the defense of the people's solidarity in the nation, and in international relations. Meanwhile, our nation's defense is now firmly related to socialist construction in all areas, all tasks, all localities, and in all grassroots. Therefore, we all have a duty we must carry out; we have a duty to educate and raise the level of responsibility and consciousness in the people's collective mastery for defending the nation and the new regime. This is to build up the overall forces of the whole nation, and to focus on carrying out the strategic duty for the successful defense of our beloved nation.

9884/9738
CSO: 4206/81

BRIEFS

VIENTIANE RICE CROP--In 1985 the agricultural production of the farmers in different localities throughout Vientiane Province was improved and expanded by taking the production of food as primary and making the collective method important. According to the basic figures, the total production area throughout the province is 54,859 hectares. Over 34,000 hectares are farmland, and 1,477 hectares are reclearcd ricefields. Production amounts on the average to 2.77 tons per hectare, an increase of 2.859 tons over 1984 production. As a result, Vientiane Province is self-sufficient in terms of its food supply. [Excerpt] [Vientiane PASASON in Lao 9 Jan 86 p 1] 9884/12913

HOUA PHAN EXPORT TRADE--In 1985 the Houa Phan Provincial Trade Company was able to purchase forest and ricefield products from the people valued at 15,618,047 kip. The products were lac, benzoin, cardamom, animal bones and hides, etc. In the same year this company was able to come up with 72,195,530 kip worth of exports, which made up 75.35 percent of the import plan. [Excerpt] [Vientiane PASASON in Lao 9 Jan 86 p 1] 9884/12913

BOLIKHAMSAI LOGGING--In 1985 the cadres, government employees, and workers in the tree protection and tree felling section in Bolikhamsai Province were able to fulfill their own specialized task in which they scored achievements and made much progress despite facing many difficulties caused by internal and external factors. Throughout last year they were able to fell over 3,400 logs for all kinds of trees, to cut down over 1,063,000 sticks of all types of rattan, and to extract many other forest products, for example, resin, benzoin, (Peuk Meuk), cardamom, cutch, etc., totaling over 90 tons. [Excerpt] [Vientiane PASASON in Lao 9 Jan 86 p 1] 9884/12913

EXPORT-IMPORT STATISTICS, DOMESTIC TRADE--In 1985 the cadres and government employees under the export-import and industrial trade sections in Vientiane Capital exceeded the expectations for their work plan, which was to make 11.73 roumds of capital circulation per year or 164.05 percent of the plan, and they exceeded the capital circulation in 1984 by 5.33 rounds per year. They purchased products and forest products from the people and a number of goods from the center, factories within Vientiane Capital and nearby provinces, and from socialist and neighboring countries valued at over 1.52 million kip. Also, domestic trade added one more store which helps to gain more foreign currency. This makes two stores. They have trade accords with Savannakhet, Khammouan and Oudomsai, and are opening up trade with the east more than in previous years, especially with Hanoi Capital and Ho Chi Minh City of the SRV. [Text] [Vientiane PASASON in Lao 10 Feb 86 p 1] 9884/9738

CSO: 4206/81

GOVERNMENT DECIDES ON SINGLE LIST OF DETAINEES

HK230056 Manila TIMES JOURNAL in English 21 Mar 86 pp 1, 6

[Article by Willy Jose]

[Text] The Commission on Good Government yesterday said that from now on there would be only one list of people who have been barred from leaving the country, including those named in the freeze order with reference to their bank accounts.

Commissioner Raul Daza said the decision to use just one list was made in consultation with the Ministry of Defense.

"We were surprised to read in some newspapers the names of people included in the hold order, like Ralph Nubla and Emilio Yap, that never originated from the commission," Daza said.

It was also learned that more names have been included in the hold order list as of March 18, namely: Manuel Lazaro (of GSIS) [Government Service Insurance System], Mr. and Mrs. Leonilo Ocampo (GSIS), Modesto Enriquez (of Silahis and Philippine Village), Rebecca Panlilio, Erlinda Panilio, Mr. and Mrs. Ben del Rosario, Leandro Enriquez, Rolando de la Cuesta, Jose Concepcion, formerly of Unicom [United Coconut Mills], Rodolfo Cuenca [CDCP], Herminio Desini, Bienvenido Tantoco, Gliceria Tantoco, Ignacio Jimenez and Fe Jimenez, Narciso Pineda, Armando Gustilo, Rolando Geotina, Jose Africa, Manuel Nieto, Joey Stevens, Rosendo Bondoc, Gerardo Dabao and Oscar Rudyer T. Santiano.

Daza also said that a total of 16 business entities have already been sequestered by the commission, namely, Bueno Total Investment, Inc., Beneficio Investment, Inc., ULTRA, E. R. Ranch in Masbate, Metropolitan Museum, Philtranco, Pantranco [as published], Duty Free Shop Inc., Philcomsat, Cultural Center of the Philippines, Romus, Philippine Casino, PLDT, Domsat, Eastern Telecom and Philippine Overseas Telecom.

Daza said, the commission has not yet issued any sequestration order on any newspapers identified with Marcos cronies.

However, Daza said, there is now a group of volunteers from the Ministry of Information studying the matter.

As of now, Information Minister Teodoro Locsin Jr. has not made any definite policy the status of these media entities, Daza said.

For those viable firms taken over by the commission, the commission is planning to appoint people from the Commission on Audit, Good Government Commission, and the sequestered companies' management to run them more profitably.

Daza also said that the commission has sequestered the P50 million worth of jewelry found at the MIA [Manila International Airport] earlier this month which reportedly belonged to the former First Lady Imelda Marcos.

The jewelry is now undergoing seizure proceedings at the customs bureau to determine its ownership and taxes due, Daza said.

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CSO: 4200/830

PAPER URGES STOPPING OF POSSIBLE 'MARCOS CULT'

HK250932 Manila PHILIPPINE DAILY INQUIRER in English 17 Mar 86 p 4

[Editorial: "Starting a Marcos Cult?"]

[Text] Looking at the published photographs of members of the Ibaloi tribe performing a ritual directly below the Marcos effigy on the road to Baguio, one must wonder whether the rite is one of "exorcism" as alleged, or a variety of involuntary worship. The tribesmen had originally intended to tear down the monumental sculpture, and had in fact started to chip off one ear after dousing the face with pig's blood. But a tourism official stopped them, saying that the statue should be preserved as a major tourist attraction in the area. Since the statue cost two or three million pesos to build, the least one can do is try to recover expenses.

The Ibaloi ritual could mean that there is only a thin dividing line between exorcism and veneration. Satan and God are but two faces of the same coin. Thus, by preserving the image of Marcos as devil, you might unwittingly be promoting as well the image of Marcos as deity. This could be the beginning of a Marcos cult.

The same thought is aroused by the plan to maintain Malacanang as a sort of Marcos museum. President Aquino has invited the people to visit the palace and gawk at the monarchical splendors of the reign of Ferdinand and Imelda. The idea seems to be to arouse popular hatred of the Marcoses for wasting the people's money in luxury and extravagance.

But the people from the barrios or the slums of Tondo (let alone the nobility of Forbes Park) are more likely to be impressed than depressed by the fabulous life-style of the deposed king and queen. Even so do tourists react today to the sumptuous glories of the Palace of Versailles, while feeling no hostility whatever towards Louis XVI and his queen. The difference of course is that Louis XVI and Marie Antoinette have been dead for two centuries, while Ferdinand and Imelda are still very much alive.

The time to stop a Marcos cult is before it gets started.

President Aquino should seriously consider a stern policy of removing every vestige of the Marcos presence from Malacanang or anywhere else. She should let the Ibaloi recover the lands they lost when the Marcos bust was built by letting them shatter it to bits. The sooner the country is cleansed of the Marcos presence, the better.

And certain tourism officials would be made to go through a quickie course on mental reconditioning as soon as possible.

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CSO: 4200/830

MARCOS' 'DISGUISED PAYOFF' DEAL TO BUSINESSMAN

BK240419 Manila PNA in English 0349 GMT 24 Mar 86

[Article by Noel Velsasco]

[Text] Manila, March 24 (PNA)--Deposed President Ferdinand Marcos, wary of the serious implications of a further expose' of his hidden wealth abroad, paid at least 30 million U.S. dollars to a businessman to silence him, banking sources said. The sources, who furnished PNA with documents on condition that they not be named, said the controversial "settlement agreement" entered into by the Philippine Government with Vicente B. Chudian, the former controlling stockholder of Asian Reliability Co. Inc. (ARCI), was actually a disguised pay-off arrangement designed to shut up Chudian.

The Commission on Good Government, headed by former Sen. Jouito Salonga, suspecting something fishy in the arrangement, has already ordered the state-run Philippine National Bank (PNB), the conduit of the funds, to stop further payments to Chudian.

Chudian reportedly had in his possession incriminating documents linking the former president and his wife, Imelda, to valuable real estate properties in the United States, particularly in New York.

Following the exposure made by the San Jose-based MERCURY NEWS on the hidden wealth of the Marcoses and cronies in the U.S., Chudian allegedly said he had more concrete evidence of the properties in question.

Nothing, however, was heard from Chudian after that.

The "settlement agreement" signed in November 1985 was reportedly the result of frenzied negotiations between Chudian and former presidential legal assistant Ronald Zamora and Rolando Gapud, the alleged financial adviser of the Marcoses.

The agreement as revealed in the documents provided, among other, the payment to Chudian by the government of some 5.3 million U.S. dollars in exchange for ceding his shares in ARCI, Dynetics, Inc. and the California-based Interlek, Inc.

The amounts paid are as follows: 500,000 U.S. dollars in down payments, 100,000 U.S. dollars payable on the 15th of every month for a period of three years and 50,000 U.S. dollars monthly over the next two years after that.

The payments were to be made through irrevocable letters of credits (L/Cs) in favor of Chudian and were to be coursed through PNB. The first payment was made on Nov. 15, 1985.

Under the agreement, the government also agreed to dismiss all the cases it filed in courts against Chudian. It also agreed to assume the outstanding liabilities incurred by Chudian while he was still at the helm of ARCI and Dynetics.

In addition, the government also waived its claims over the shares of stocks in Tool and Die Masters, Inc. (TDM) and Test International Inc. (TI), both also based in California.

Marcos described the "deal" as "the most favorable and the best compromise to be arrived at". Local bankers, however, described the transaction as a "shady deal" and the terms of the agreement as "onerous."

The deal in effect not only absolved Chudian from his liabilities arising from a 25-million dollar loan he obtained in behalf of ARCI from a consortium of foreign banks and Security Bank and Trust Company. [as published]

Chudian also retained ownership of two of the three electronics firms in California using the funds allegedly diverted from the foreign loan proceeds.

The Philippine Export and Foreign Loan Guarantee Corp. (Philguarantee) which guaranteed the loan actually lost in the deal.

After the settlement, it had to assume full responsibility for the payment of the loan which by now has ballooned to an estimated 42 million U.S. dollars.

ARCI was established on Oct. 2, 1980 to engage in the semi-conductor and electronics business.

One of its companies, Dynetics, Inc., became one of the leading electronics firms in the country.

Dynetics was partly owned by the Human Settlements Development Corp. (HSDC), the investment arm of the Ministry of Human Settlements formerly headed by Mrs. Marcos.

In 1980, ARCI obtained a 25 million U.S. dollars in foreign loan from a syndicate of foreign banks led by Credit Suisse First Boston. The loan included an eight million U.S. dollars from Security Bank then headed by Gapud. The proceeds of the loan were to be used to finance four local projects of ARCI.

However, ARCI, without the approval of the Central Bank and the Board of Investments (DOI), diverted the bulk of the loan proceeds to three electronics firms in California, sources said.

These firms are Interleck, Inc., Tool and Die Masters and Test International Inc., all located in Silicon Valley.

Dynetics received only two million dollars while another local firm, Business Computer Systems, got only 122,000 U.S. dollars from the loan proceeds.

The diversion of vunds which in itself constituted an act of economic sabotage, led to the filing of a suit against Chudian by the government.

Marcos ordered the Ministry of Justice to investigate the case. However, before the results of the investigation could be released, a compromise agreement was reached between the government and Chudian.

Recently, however, a new twist has developed which threatens to nullify the compromise agreement reached by Chudian with Marcos.

The Commission on Good Government, which is tasked with the recovery of Marcos' hidden wealth, has ordered the PNB to stop payments to Chudian of the proceeds of the "settlement agreement."

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CSO: 4200/830

DISCOVERY CONFIRMS VER SPIED ON OFFICERS

HK201551 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 20 Mar 86 pp 1, 7

[Article by Dioisio Pelayo]

[Text] All telephones at Camp Aguinaldo were found to have been bugged, confirming suspicions that the group of Gen. Fabian C. Ver, former AFP [Armed Forces of the Philippines] chief of staff, spied on military officers.

Senior military sources said the Intelligence Service, AFP, the National Intelligence and Security Authority and the Communications and Electronics Service, AFP cooperated in the spying operation.

However, tapes and transcripts of conversations intercepted by Ver loyalists have not yet been found.

The intensive spying operations against officers of the armed forces, both "friendly to Ver" and those considered to be "uncooperative," resulted in the massive deterioration of the effectiveness of the intelligence gathering efforts of the AFP, military officers said.

Instead of using equipment, resources and manpower to gather intelligence reports on the enemies of the state, the Ver group used the intelligence establishment to spy on military men, senior officers said.

As a result, the same officers said, the AFP under Ver "knew who the girlfriends of military men were, but did not know the movements of the communists and other considered to be enemies of the state."

The repeated ambushes, raids of remote towns and small military detachments as well as other successful operations staged by the New People's Army against the military are the result of the spotty intelligence gathering activities of the AFP under Ver, sources said.

In addition to the casualties which the AFP suffered due to spotty intelligence gathering activities, military officers, particularly those assigned at AFP general headquarters and in units led by officers known to be "not sympathic to Ver," constantly lived in a state of fear due to the intelligence operations conducted against them, the sources said.

The preoccupation of Ver with intelligence operations, senior officers said, also led to the "compartmentalization" of the members of the AFP general staff.

This means that one staff member does not know what the other staff members are doing.

As a result, a senior officer said the operational effectiveness of the AFP suffered and the morale of the staff members went down.

The senior officer said "when Ver gives an order, he will only give you the facts to the extent that you will be able to comply with the task."

One example, he said, was during the 77-hour rebellion staged by Defense Minister Juan Ponce Enrile and then Lt. Gen. Fidel V. Ramos, when a battalion of soldiers were ordered sent to Camp Aguinaldo by their officer, who was not told what the soldiers will do once they arrive at Camp Aguinaldo.

The "compartmentalization" of officers finally became Ver's undoing as he failed to quell the rebellion which eventually deposed President Marcos from power, the officer said.

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CSO: 4200/830

PHILIPPINES

GOVERNMENT REACTS TO INCREASE IN SQUATTER ACTIVITY

Interagency Meeting Held

HK210227 Manila BUSINESS DAY in English 19 Mar 86 p 9

[Article by Alejandro V. Almazam]

[Text] Government authorities are in a dilemma over how to deal with the take-over of vacant properties and government housing projects by squatters since President Aquino assumed leadership.

In an interagency meeting held yesterday at the University of Life, government officials agreed that the occupation of these properties was illegal and that the squatters should be evicted before the problem gets out of hand.

The government officials, however, noted that such a move was not possible owing to the absence of a clear-cut policy by the Aquino administration on the squatter issue.

Authorities fear that violence could result should they move in since the squatters appear confident of Mrs. Aquino's leniency towards the underprivileged, which she stressed during her election campaigns.

Other squatters also cited Presidential Decree 2016 issued by former President Marcos during the last campaign prohibiting the eviction of squatters.

Officials fear that unless the Aquino administration made a clear stand declaring illegal the occupancy of these properties, the squatters may resist attempts of authorities to evict them.

Authorities at the meeting also agreed that the Metro Manila Commission should take the lead in the eviction proceedings by activating eviction task forces in affected municipalities.

Present at the meeting were representatives of the Presidential Task Force on Human Settlements, Metro Manila Commission, National Housing Authority [NHA], Bliss Development Corp., and military officials.

Since Feb. 25, squatters, some even using force, have occupied such housing projects as Bliss projects in Pasig, Manggahan, Dagat-Dagatan and Capitol Bliss. Also swamped by squatters was NHA's Karangalan Village project and a 10-hectare private property along Julio Vargas, E. Rodriguez and Ortigas Avenue in Pasig.

Security guards manning the sites recounted that an "invasion" usually started with a handful of squatters occupying vacant areas outside the project sites. Within hours, thousands of squatters coming in waves would force themselves into the compound to claim housing units. Those unable to get housing units would subdivide the surrounding grounds using stakes and ropes.

Guards said that rather than face the squatters, many of whom were armed with bolos and stakes, they just fled. In many cases fights would break out between opposing groups of squatters over ownership of a housing unit or piece of land. In the Pasig Bliss site, for instance, squatters occuping housing units told BUSINESS DAY that for several days they had been fighting off other squatters also wanting to claim the units themselves.

The occupation of most of these housing projects appeared to be a spontaneous, rather than organized effort.

One of the squatters who seized portions of the 10-hectare property along Ortigas Avenue said she and her neighbors in Bo Ugong, Pasig, rushed to occupy the property when they heard rumors that the government was awarding lost to squatter families.

Most of the squatters, however, admitted that they know that what they were doing could be illegal. They said, however, that they were willing to pay for the property they had occupied.

Ric Reyes, a PDP-Laban [Filipino Democratic Party-Lakas ng Bayan] organizer and a self-appointed spokesman for the squatters in the Ortigas property, said that just because they were poor does not mean that they no longer have the right to own property.

"For too long, the rich have been granted all these privileges, I think that under our new government, the poor should be given a better deal granting them rights over the land they now occupy," he said.

In some projects, some squatters have even started selling land rights to other squatters. At the Capitol Bliss site for instance, a certain Mr. Torres who claims to hold a Spanish title to six hectares of land covering part of the housing project site, has sold land rights at P7,000 to P14,000 each to 30 families.

Officials of the Bliss Development Corp. (BDC), which manages the project, said efforts to persuade the squatters to vacate the premises were just laughed off. They said many of the squatters appear to be military men sporting Loyalist for Marcos I.D. cards.

Official Measures Planned

HK230100 Manila TIMES JOURNAL in English 21 Mar 86 pp 1, 6

[Text] The full force of the law will be used against persons who abuse the use of people power to commit illegal acts.

Metro Manila Commission office-in-charge Joey Lina and Acting Manila Mayor James Barbers yesterday took separate moves to curb the abuse of unscrupulous persons, some of whom have taken over vacant government lands, or common acts of vandalism and outright violations of the law in the guise of exercising the so-called people power.

Lina said the full force of the law will be applied on anyone who will occupy government property without legal authority and in the name of "people power."

His warning was prompted by the recent spate of takeovers by what he called "professional squatters" of vacant housing units and lots along the Capital Bliss project along Don Mariano Marcos Avenue in Quezon City, at Dagat-Dagatan in Tondo, Manila and Navotas and at the other government housing sites in Baranggay Ugong and Manggahan in Pasig.

The latest invasion occurred last Tuesday night at the Capital Bliss. About 50 persons wearing yellow headbands forced open some units there and occupied them until Wednesday morning before surrendering to a team of negotiators sent by Lina and Quezon City policemen.

Eight of them are now facing charges for resisting arrest and illegal entry.

Lina said some of the invaders had previous records of squatting, indicating that they are professional squatters.

He asked Manilans not to be misled by agitators who claim that under the new government, the people have acquired the right to occupy vacant property.

On the other hand, Barbers said reports reaching his office confirm that some of those people have acted "evidently for selfish personal motives."

"These acts, if tolerated and not properly restrained, may soon degenerate into anarchy and chaos to the detriment of our city and people," Barbers stressed.

According to him, such cases involved people like squatters who barricaded in Pier 2 in an attempt to stop the government from developing the area into a modern seaport, an internationally funded project.

He said these are "professional squatters" from Tondo Foreshore in Barrio Magsaysay and Dagat-Dagatan who were given free lots by the previous administration.

However, they were later disenfranchised after they sold to other people their rights to the lots and squatted on vacant lots in Pier 2, along Ortigas Avenue and other parts of the city.

Thus, Barbers instructed law enforcers to intensify their patrol, be more vigilant and take a firmer stand against these groups.

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CSO: 4200/830

BUSINESS DAY ON WAYS TO MEET IMF CONDITIONS ON NATIONAL BUDGET

HK181620 Manila BUSINESS DAY in English 18 Mar 86 p 3

[Article by Conrado R. Banal III]

[Text] The Aquino government can still meet the conditions imposed by the International Monetary Fund (IMF) regarding the national government budget, despite the financial mess the Marcos government left behind.

But it will have to completely revise the 1986 budget which the Batasan Pambansa approved under the Marcos government. To do this however, it will have to take into consideration several factors.

At the same time, it may have to scrap the so-called fiscal calendar year as the basis for the government's annual budget and establish a more reliable information base in preparing the budget.

It is also asking the IMF to allow more leeway in the country's monetary and fiscal programs.

The government is studying these major changes at the moment, sources in the government said.

The Aquino government has inherited a host of fiscal problems from the Marcos regime.

It is in danger of exceeding the IMF-required limit on government spendings that its revenues cannot cover--the budget deficit. Budget Minister Alberto Romulo has indicated that the budget deficit for the first quarter could reach P5 billion. While the current IMF program for the Philippines will expire by June, the Marcos government and the IMF have agreed on an "indicative" budget deficit target for 1986. The target is close to the P6.9-billion deficit in the Batasan-approved 1986 budget.

Sources in the Cenbral Bank [CB] insisted that the government technically has not violated the fiscal targets committed to the IMF. "In the first place, there is no monthly deficit target in the IMF program," one said.

In the past, first quarterly deficit targets have always been exceeded. The sources said the Marcos government merely reduced its spendings during the subsequent months to comply with IMF fiscal conditions.

With nine months still left in the year, the Aquino government therefore intends to slash its programmed spendings to be able to meet the IMF-imposed limit on the budget deficit.

It is setting up priorities in government spendings to effect reductions in both capital and curretn operating expenditures. Projects can be scaled down, postponed or scrapped outright. The government is nevertheless worried about a drop in government operating expenses, which will mean revamps of agencies--and, worse, layoffs of government employees. And eve if the government is forced into taking this tack, it will still have to provide terminal or retirement benefits to the employees who will be laid off. This will also mean additional expenses, aside from the fact that it will raise the unemployment rate.

The slash in government spendings will also depend on tax revenue. Businessmen believe that the Aquino government, because of the high public confidence it enjoys, can raise more taxes. The question however is whether it has the capability to mount an aggressive tax payment campaign.

Different factors may have contributed to the excessive government spendings last January and February--even prior to the presidential election.

Sources in the Budget Ministry said the cash releases during those months were within the allocations in the 1986 budget.

A cabinet committee--made up of the CB-governor, the finance minister, the budget minister, and the National Economic and Development Authority (NEDA) director-general--had agreed early this year on the government's funds releases. Sources said Budget Ministry's [words indistinct] these releases were not exceeded.

The government nvertheless was forced to borrow from the CB because revenues in January and February were lower than projections. Banks also had to ask payment for maturing Treasury [T] bills--the national government's short-term IOUs--so they could met the higher need for cash due to the election fever. The programmed government drawings from the CB were therefore exceeded.

In other words, the government's tax revenue projections during January and February and the CB's ability to sell T-bills went haywire.

Such a situation has occurred in the past.

Government infrastructure projects are normally implemented from November to May to take advantage of the dry season. Government revenues, on the other hand, mostly come in starting April. This gap in government financing is normally made worse by the Christmas holiday, when banks ask payment for T-bills to cover the relatively higher cash demand during the season.

This year, however, the Marcos government may have used this inherent weakness in the government's financial structure to justify its preelection spendings. Sources said project start-ups and payments of existing obligations were hastened.

They added that to solve such a seasonal problem in government finances, the Aquino government is studying the possibility of changing the fiscal year. The Marcos government adopted the calendar fiscal year--January to December--as basis for the government budget. This system, economists say, works in countries where the end and the beginning of the year--the winter months--are written off in government capital outlay releases. The Aquino government is thinking of adopting a fiscal year that will correspond to the usual flow of funds into and out of government coffers.

/6662
CSO: 4200/830

PHILIPPINES

GOVERNMENT PLANS EXPENSE CUTS TO COUNTER DEFICIT

HK230050 Manila MANILA BULLETIN in English 21 Mar 86 pp 1, 16

[Article by Vicente B. Foz]

[Text] The Aquino government faces a P17 to P19-billion deficit by year's end if the 1986 general appropriations law is followed, Budget Minister Alberto G. Romulo said yesterday.

In a talk with newsmen, Romulo said all government offices should cut down on expenses as the 1986 appropriations law enacted by the Batasang Pambansa last year is "not viable."

Last Wednesday, during the Cabinet meeting, Romulo said that the government incurred a P9.6-billion budgetary deficit for the first quarter of 1986, revising an earlier estimate of a P6.2-billion deficit.

The deficit was caused by government expenditures of P24.1 billion as against revenues of P14.5 billion from January to March this year.

Meanwhile, President Corazon C. Aquino said her administration is determined to strengthen the friendly relations now existing between the civilians and the military authorities.

"The wall of distrust that once separated Filipino civilians from the Philippine military has been torn down," Mrs. Aquino told a group of anti-Marcos expatriates led by Steve Psinakis and former Constitutional Convention delegates Heberson Alvarez. Belonging in the United States, they are on a brief visit here.

Mrs. Aquino said the government appreciates the expatriates' plan to actively help the people here in rebuilding the economy. The plan calls for Filipinos abroad to come and stay for a year and help residents in depressed areas through the teaching of skills.

Budget Minister Romulo said the government deficit was aggravated by the country's interest payments on its foreign debts, election-related expenses, and the tranfer of government funds to distressed corporations.

The current appropriation law will have to be reviewed, Romulo said, "to reduce expenses to a point where they equal revenues." He said the ministries and other government offices have been asked to cut down expenses and to reset their priorities to relieve the national government of its financial predicament.

In the Aquino government's new order of priorities, Romulo said, stress will be given to providing basic services to the people and paying the salaries of some 1.3 million government employees.

The Presidential Commission on Government Reorganization headed by MP Luis Villafuerte will study the need to streamline the bureaucracy, Romulo said.

Although the government has to tighten its belt for the next few months, he said, there are strong indications the country is on the road to economic recovery. He cited the reduction in the prices of oil products which is expected to bring down manufacturing costs and help boost the economy.

Local and foreign businessmen, he said, are expected to invest anew because of the improved business climate.

During a press briefing yesterday, presidential spokesman Rene A. V. Saguisag said since the Aquino government began, there has been no report of any "salvaging" or torture of civilians by the military authorities in the field.

Saguisay said this was to be attributed to "the new level of professionalism" inculcated by the leadership of Defense Minister Juan Ponce Enrile and Gen. Fidel V. Ramos, Armed Forces chief of staff.

/6662
CSO: 4200/830

PHILIPPINES

CENTRAL BANK FIGURES SHOW DROP IN PUBLIC, PRIVATE BORROWING

HK210219 Manila BUSINESS DAY in English 19 Mar 86 p 3

["Economic Indicator" column: "Net Domestic Credits Fall 6 Percent in December"]

[Text] The net domestic credits of the monetary system or borrowings of the public and private sectors from local sources, amounted to P156,775 million last December, down from P167,005.5 million in 1984, figures from the Central Bank [CB] showed. The 6.13 percent decline was reflective of the slowdown in economic activity last year.

Net domestic credits are borrowings of the national government, local governments, semigovernment entities and private entities from the CB and deposit money banks, net of government deposits with the CB and deposit money banks. These credits may be in the form of securities loans or discounts.

During the year, credits extended by deposit money banks, which accounts for 80.70 percent of total domestic credits, fell 12.52 percent. Due to the depressed demand for loans as economic activity slowed down further, lendings of these banks declined to P126,514.8 million from P144,622.2 million. Borrowings of the private sector, the banks' main loan market, dropped 11.36 percent from P120,230.9 million to P106,573.5 million. Likewise, government borrowings from banks fell 18.24 percent from P24,391.3 million to P19,941.3 million.

Net Domestic Credits of the Monetary System
as of December 1985 & 1984 (in million pesos)

	1985*	1984
Total	156,775.0	167,005.5
Public	37,540.0	33,739.6
Private	119,235.0	133,265.9
Monetary authorities	30,260.2	22,383.3
Public	17,598.7	9,348.3
Private	12,661.5	13,035.0
National government	21,295.5	20.715.4
Securities	11,294.2	10,586.1
Less: Treasury IMF accounts	1,537.5	-142.1
Loans	11,583.8	9,987.2

Table Continued

	1985*	1984
Semi-government entities	4,575.0	579.8
Securities	486.3	417.1
Loans	4,088.7	162.7
Private entities	12,661.5	13,035.0
Securities	485.2	483.3
Loans	12,176.3	12,551.7
Less: Government deposits	8,271.8	11,946.9
Deposit money banks	126,514.8	144,622.2
Public	19,941.3	24,391.3
Private	106,573.5	120,230.9
National government	11,193.5	13,687.8
Securities	9,925.9	12,640.1
Loans and discounts	1,267.6	1,047.7
Local governments	38.3	44.8
Securities	--	--
Loans and discounts	38.3	44.8
Semi-government entities	17,743.5	19,249.9
Securities	2,329.7	2,486.9
Loans and discounts	15,413.8	16,763.0
Private entities	106,573.5	120,230.9
Securities	7,403.5	8,487.7
Loans and discounts	99,170.0	111,743.2
Less: Government deposits	9,034.0	8,591.2

*Preliminary

Source: Central Bank

/6662
CSO: 4200/830

PHILIPPINES

GOVERNMENT BOARD OF INVESTMENTS REORGANIZED

HK210149 Manila BUSINESS DAY in English 20 Mar 86 p 2

[Text] The government will shortly reorganize the Board of Investments (BOI) to make it more effective and reorient its functions as an investment promotions body.

Trade and Industry Minister Jose Concepcion Jr said yesterday he will shortly activate various committees for special industries to evaluate the state of these industries and then determine their prospects for the next 10 years.

After organizing the committees, Concepcion said the BOI can then determine what should be done to help these industries.

Concepcion said that as far as investment policies are concerned, he believes that the wealth of the country should be in the hands of its nationals.

In this regard, he said, firms selling to the domestic market should generally be left to local investors. He said a maximum foreign equity of 40 percent or even 49 percent will be allowed in order that Filipinos will retain majority control of these domestic corporations.

On the other hand, he said, export-oriented firms will be opened to both local and foreign investors. Foreign ownership of export-oriented industries could go as high as 100 percent.

Concepcion said it is important that industries provide employment opportunities. In a situation where a local firm, due to lack of capital, may be forced to shut down, foreign investors will be allowed to put in the needed capital so the firm can continue operating.

/6662
CSO: 4200/830

PHILIPPINES

INVESTED CAPITAL DECLINES IN FEBRUARY

HK211515 Manila MANILA BULLETIN in English 21 Mar 86 p 13

[Text] The country has appeared to have suffered a debacle in capital formation last month when investments, both by new and existing firms, dived to P153.5 million, about 68.9 percent lower than the P508.9 million recorded in January 1986.

Statistics gathered from the Securities and Exchange Commission (SEC) showed that capital investments in February this year cascaded by 74.4 percent from the P599 million recorded in February, 1985.

The SEC blamed the tense election period and the political upheaval during February this year. It expressed optimism, however, that capital investments for the month of March would pick up because of confidence of businessmen in the new government.

In February this year, the tense election period brought down investments for new enterprises to only P77.6 million or 63 percent of the P209.7 million recorded during the previous month.

Even on business expansions, the SEC recorded a sinking investment picture. Business expansions, by way of increases in the paid-up capital of existing corporations, reached only P75.9 million in February, 3.9 times lesser than the P299.2 million recorded in January.

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CSO: 4200/830

PHILIPPINES

LAND TRANSPORT COMMISSION GETS NEW HEAD

HK210230 Manila MANILA BULLETIN in English 19 Mar 86 pp 1, 7

[Text] Col. Mariano R. Santiago yesterday took over as officer-in-charge of the Land Transportation Commission (LTC), replacing Justice Buenaventura Jr. Guerrero, who resigned Feb. 26. President Corazon C. Aquino appointed Santiago to the top LTC post pending the review and amendment of the executive order creating the agency.

During simple turnover ceremonies, Santiago pledged to continue the reforms and innovations he started in the LTC before he resigned last year. Santiago was the director of the defunct Bureau of Land Transportation (CLT) from Aug. 25, 1979 until he was suspended on Oct. 28, 1983 because of a dispute with Brig. Gen. Tomas Mr. Dumpit over several carnapping cases.

He resumed his position as BLT chief on Feb. 24, 1984. When the BLT was merged with the Board of Transportation (BOT) to become LTC on March 22, 1985, he became one of the commissioners. However, differences with deposed President Marcos forced him to resign all his positions in May 1985.

Santiago belongs to the "Dimasupil" 1967 class of the Philippine Military Academy (PMA), composed of 85 cadets.

As director of the defunct BLT, Santiago introduced several reforms and innovations like the three-year driver's license, license plates with three letters and three numbers, and computerization program.

Santiago led rebel troops that seized MBS [Maharlika Broadcasting System] 4 during the four-day revolt that toppled the 20-year-old Marcos regime.

/6662
CSO: 4200/830

PHILIPPINES

IMPORT LIBERALIZATION PLAN TO BEGIN IN MAY

HK2110507 Manila BUSINESS DAY in English 21 Mar 86 p 3

[Article by Danile C. Yu]

[Text] The government has drawn up the list of commodities whose importation will be liberalized starting May under the deregulation [words indistinct] to the International Monetary Fund (IMF).

At the same time, a separate list of commodity classifications to be exempted from the import deregulation plan until the end of the year has also been drawn up.

Trade and Industry Minister Jose S. Concepcion Jr. is expected to review the first batch of commodities recommended for deregulation starting May.

Concepcion is also rushing the formulation of the implementing rules to provide the necessary safeguards to protect domestic industries once import liberalization takes place.

Industry sources told BUSINESS DAY that the government is hoping to have the safeguards in place by April 15 so all the commodities in the first batch can be liberalized immediately.

The first batch has been broken down into three main headings: raw materials and intermediate inputs, intermediate and capital goods, and consumer goods and other products.

Under raw materials and intermediate goods are: hydrogen peroxide, waste paper, sodium tripolyphosphate/tetrasodium psyrophosphate, basic iron and steel products, liquid caustic soda, fish and fish products, acrylic, rayon and cotton staple fibers and nylon filament yarn, synthetic resins and resin products and polyvinyl chloride.

Under intermediate and capital goods are: some paper and paperboard products not produced locally and basic refractories.

Under consumer goods and these products are: asbestos-vinyl/vinyl-asbestors tiles and sheets, canned mackerel/sardines, high tariff items except glass and cement, new tires, and nonessential and unclassified items whose liberalization is not likely to have a significant impact on the demand for foreign exchange. A total of 90 items are in the first batch.

Concepcion is likely to divide the commodities for immediate liberalization into two subsectors, one covering commodities which can be liberalized even without the safeguards in place because they are not locally available and a second subsector to cover those whose liberalization will require that safeguards be in place first.

The commodities whose import liberalization will be deferred until the end of the year include, under raw materials, polyester staple fiber and filament yarn and all types of spun yarn and threads.

Included under intermediate goods and construction materials are glass and some paper and paper products produced locally. Cement is also included, but the lifting of import licensing for cement will be discretionary on the part of the government since the IMF has not insisted that this commodity be liberalized.

For consumer goods and other products, the items are non-essential and unclassified items which are primarily luxury consumer goods. The liberalization of the importation of these products is expected to result in a significantly higher demand for foreign exchange.

In the case of fabrics and textiles, the government has proposed that liberalization be moved back to July 1987. The textile industry is in a unique position because of the impact on employment any liberalization move could have.

Sources said the textile industry will likely have to undergo a major rationalization program in order to improve its competitiveness in the world market. To just allow imports to come in will likely result in massive closures of textile mills and layoffs.

The trade and industry ministry is hoping that over the next three quarters, production in these affected sectors will rise to more economic levels.

One of the principal objections raised by the private sector to the import liberalization plan is the state of domestic industries, many of which are operating at only 40 percent to 60 percent of capacity.

The private sector has been asking for a longer postponement of the import liberalization program to allow domestic industries to recover from the difficulties brought about by the three-year crisis and be in a position to compete with imports.

The government has been able to work out two 60-day postponements of the import liberalization plan but is under pressure now from the IMF to implement the program by May.

/6662
CSO: 4200/830

PHILIPPINES

CONSUMER GOODS IMPORTS RISE NEARLY 20 PERCENT

HK210153 Manila BUSINESS DAY in English 20 Mar 86 p 2

["Economic Indicator" column: "Consumer Goods Imports Rise 19.89 Percent"]

[Text] Importation of consumer goods last year rose 19.89 percent from the 1984 level, latest data gathered from the Central Bank showed. From $367 million the previous year, last year's purchases went up $73 million to $440 million.

The expansion in the imports of these items was largely attributed to the higher demand for food andlive animals for food preparation which was not sufficiently met by local supply.

Rice hike among consumer goods imports. During the year, a total of 538,000 metric tons of rice were purchased at $205 per metric ton amounting to $110 million. This reflected a significant 161.90 percent increase from the 190,000 metric tons imported in 1984 at a unit price of $223 per ton or a total purchase value of $42 million.

Consumer Goods Imports
January to December 1984 & 1985
(FOB value in million US$; volume in thousand metric tons; unit price in $/MT)

	1985			1984		
	Volume	Unit Price	Value	Volume	Unit Price	Value
Food and live animals for food			320			294
Daily products	82	869	71	67	985	66
Fish & fish preparations	5	259	1	1	797	1
Rice	538	205	110	190	223	42
Corn	281	119	33	182	158	29
Others			105			156
Beverages and tobacco			76			35
Miscellaneous excluding professional, scientific and controlling instruments			44			38
Total			440			367

Source: Central Bank
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CSO: 4200/830

PHILIPPINES

MACEDA SAYS RP LOGS 'SMUGGLED' TO JAPAN, TAIWAN, ROK

OW211049 Tokyo KYODO in English 0929 GMT 21 Mar 86

[Text] Manila, March 21 KYODO--Philippines Natural Resources Minister Ernesto Maceda said Friday that Japan is a major market for logs smuggled out of that country by associates of deposed President Ferdinand Marcos.

He said a crackdown on smuggling now in progress will mean short log supplies for Japan, which takes about 85 percent of the logs that leave the Philippines.

Maceda said that from January to November of 1984 alone, the "actual volume of Philippine logs unloaded in Japan was 938,000 cubic meters," while "our authorized export quota was only 599,082 cubic meters."

He said the 338,918 cubic meters that appear to have been shipped illegally could be worth as much as 55.2 million dollars.

Maceda said that some 120.5 million dollars worth of Philippine logs are smuggled to Japan, Taiwan and Korea every year, adding that most of the logs are owned by cronies of Marcos, including his younger sister Fortuna Marcos-Barba, and military men led by Gen. Fabian C. Ver.

He said that the government lost over 50 million dollars in taxes and other duties in 1984 alone. This does not include the foreign exchange receipts which should have been channeled into economic recovery.

Maceda revealed that the bulk of the dollar earnings from log smuggling has been invested abroad, some as part of the Marcos couple's "hidden wealth."

Maceda based his estimates on the smuggling from imports reported by the three countries from 1978 to 1982--8.163 million cubic meters, almost double the 4.397 million cubic meters reported by local logging firms.

This annual average of 753,200 cubic meters a year would over a five-year period amount to about 602.4 million dollars' worth, Maceda said.

An industry source, however, said that these figures are understated, estimating that almost two to three times the volume of locally-recorded log exports is smuggled out.

Maceda said he "will wage a total war on log smuggling and other illegal activities," adding further he has created a "task force to stop log smuggling within 90 days."

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CSO: 4200/830

PHILIPPINES

AGRICULTURE LOAN FUND CONCENTRATES ON BANANAS

HK211517 Manila MANILA BULLETIN in English 21 Mar 86 p 13

[Text] The Central Bank [CB] reported yesterday that loan releases under the Agricultural Loan Fund (ALF) totalled P27.2 million as of March 15, raising total availments to P401.9 million since the inception of the program in May 1985.

Of the amount of loan releases, some P126.8 million was used to finance the loan requirements of banana producers, CB said.

Availaments under the ALF were used to finance various agricultural projects such as the production for export and domestic consumption of fish and prawn, bananas, coffee, rice, corn, poultry and livestock as well as other foodstuffs.

The breakdown of ALF releases by crops or projects: fishery and prawn projects, P74.1 million; food processing, P38.7 million; banana, P126.8 million; poultry, P2.4 million; piggery, P1.8 million; palay, P500,000; coffee, P17.9 million; sugar, P116.1 million; rice mills, P7.6 million; feed mills, P3.2 million; and others, P12.8 million.

The ALF project is a World Bank assisted lending program intended to boost agricultural activity. World Bank funding for the program amounts to $100 million. In general, the ALF will provide funding to qualified borrowers through participating banks to finance seasonal, medium and long-term agricultural credit for poultry, livestock, fisheries development, plantation crops.

Loans are made available to qualified borrowers through special time deposits to be placed by the Central Bank in eligible participating banks.

/6662
CSO: 4200/830

PHILIPPINES

FOOD AUTHORITY TO RESUME PALAY PROCUREMENT

HK240339 Manila MANILA BULLETIN in English 21 Mar 86 p 13

[Text] National Food Authority Administrator Emil Ong has ordered NFA provincial managers to resume the agency's palay procurement activities in the wake of reports that private traders had been buying palay from farmers at prices below the government support price of P3.50 a kilo.

The NFA chief made this announcement during a meeting the other day with leaders of different farmer organizations, reliable sources said yesterday.

Ambraosio Lumibao, president of the Pambansang Katipunan ng mga Samahang Nayon [National Union of Village Cooperatives] said early this week that a temporary stop in the NFA palay procurement activities since last week had prompted private traders to buy palay of farmers in central Luzon at only P2.90 to P3.10 per kilo, prices which were significantly below the government support price of P3.50 per kilo.

It was learned that NFA temporarily suspended palay procurement activities last week as Ong wanted an audit of available funds in different provincial and regional offices of the agency.

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CSO: 4200/830

TRANSPORTATION FARES, POWER RATES LOWERED

HK210501 Manila Far East Broadcasting Company in English 2300 GMT 20 Mar 86

[Text] The land transportation commission will reduce transportation fares throughout the country starting tomorrow. For Metro Manila bus and jeepney, the rate will be 90 centavos for the first 4 kilometers and 25 centavos for every succeeding kilometer thereafter. For students, the rate will be 65 centavos for the first 4 kilometers and 19 centavos for every succeeding kilometer.

For Luzon rates, 90 centavos will be charged for the first 5 kilometers and 24 centavos for every kilometer thereafter. Those in the Visayas and Mindanao will be charged 95 centavos for the first 5 kilometers and 25 centavos for every succeeding kilometer.

Student fares will be 70 centavos and 19 centavos thereafter.

For taxi fare, the flagdown rate will be 1 peso for the first 500 meters and 1 peso for every succeeding 250 meters.

Also being reduced are electric power rates. The National Power Corporation [Napocor] said it will reduce its rates by an average of 5 centavos per kilowatt hour starting next month. Napocor said the reduction is in line with the government's rollback of oil prices. As a result of the rollback, oil purchases of Napocor declined by 69 centavos per liter last January 27 inclusive of adjustments in taxes of fuel oil.

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CSO: 4200/830

MILITARY AFFAIRS AND PUBLIC SECURITY

MOONSHINERS ARRESTED IN HONG BANG WARD

Haiphong HAI PHONG in Vietnamese 18 Dec 85 p 1

[Unattributed report: "Hong Bang Ward Controls, Prosecutes Moonshiners"]

[Text] After monitoring things for a period, recently, the public security forces, in coordination with the Market Reform and Control Committee in Hong Bang Ward, took administrative control measures against 23 targets who were making and selling moonshine in five subwards.

None of the targets arrested could deny the charges when confronted by the evidence on display at the scene of the illegal activities. In Trai Chuoi Subward, nine of the targets were in the process of making moonshine. In Thuong Ly Subward, six other targets had materials used in making moonshine. In So Dau Subward, five moonshiners were caught red-handed. There were two cases in Phan Boi Chau Subward and one case in Ha Ly Subward.

In Thuong Ly Subward, four targets who made their living making moonshine were repeat offenders. The four were Thag Nga S, Hong Nhue D, Nguyen Van L and Tran Thi Th. They were detained while awaiting sentencing. In So Dau Subward, Pham Van T, who had made moonshine many times, was detained while awaiting sentencing. There were also repeat offenders, such as Vu Minh X, in Trai Chuoi Subward. Some of these people made moonshine and sold it at the soft drink stalls at their homes. Two people who did this were Tran Dinh Nh, who lives at 1C/174, and Trinh Thi Th, who lives at 47 Trai Chuoi Street.

All the material evidence belonging to the moonshiners, which included cauldrons, condensers, tubes, jars and lids, was seized. Calculated based on the 200 jars seized, the moonshiners wasted 1,000 kg of grain a day making moonshine.

11943
CSO: 4209/344

MILITARY AFFAIRS AND PUBLIC SECURITY

PROFESSIONAL MOONSHINER IN DONG HOA VILLAGE PROSECUTED

Haiphong HAI PHONG in Vietnamese 20 Dec 85 p 4

[Article by Xuan Thu: "Administrative Measures Taken Against Moonshiners in Dong Hoa Village"]

[Text] Previously, many families in Dong Hoa Village in Kien An District made moonshine. Dong Hoa was sometimes referred to as a liquor "pond." People in the area were very indignant about this violation of state laws. The production and consumption of moonshine here had an effect on grain and social order.

Implementing the directive of the Municipal People's Committee, the party committee, the authorities, the mass organizations and the sectors in Dong Hoa Village in Kien An District took steps to control and stop the production of moonshine in the localitity and educate the violators.

Recently, the district public security forces and the sectors responsible in Kien An conducted an investigation and determined that Dong Hoa was still a center for the production of moonshine. In conducting the investigation, the district's control forces took into account the level of activity and the methods used by the moonshiners. The Nguyen Van Le family, which lives in Lam Ha Hamlet, was one of the families found to be producing moonshine. Nguyen Van Le is a retired worker who used to work at the Tien Hoi Brick Enerprise. He made moonshine on a full-time basis. The authorities arrested and educated him many times, but he never reformed.

At 0600 hours on 11 December, the district's inter-sector control team, together with cadres from the market management unit and the tax bureau and village authorities, took administrative control measures against the family of Nguyen Van Le. Mr Le has four children. One is a driver, the two girls are traders at the Sat Market and the fourth works for the ocean transport sector. For many years now, the family has been a center for the production of moonshine. It has supplied moonshine to places that carry on illegal business activities. Nguyen Van Le quickly became very wealthy from this. He built three large houses, of which two are two-story buildings, and purchased many expensive items.

By adhering to the objective, the control work was carried out quickly. The control team easily discovered material evidence of moonshine activities, including brand-new pots, pans, barrels and casks used to produce moonshine.

Eight liters of moonshine, six containers, two water casks, four large cauldrons and a container of fermented rice were seized.

It seemed that a professional moonshiner who had been carrying on operations for many years would have much more equipment than this and so the cadres in the control unit became suspicious. There were many other signs as well. In the garden, there many small piles of cinders. When the cadres examined one pile, they found pieces of nylon. When the pieces of nylon were removed, they found 15 jars containing rice and liquor dregs. Nguyen Van Le is now awaiting trial on charges of producing moonshine, wasting grain and violating the public order and security regulations of the locality. The people in Dong Hoa Village and many workers and civil servants in the area are very happy that this family of moonshiners is being prosecuted. The authorities in Dong Hoa had arrested and educated Nguyen Van Le for making moonshine on four previous occasions. But he refused to change. The people want the laws and authorities to punish those who violate the laws, waste grain, affect public order and security and the new way of life in the hamlets and enrich themselves using illegitimate methods.

11943
CSO: 4209/344

MILITARY AFFAIRS AND PUBLIC SECURITY

DISTRICTS TAKE ACTION TO CONTROL, PROSECUTE MOONSHINERS

Haiphong HAI PHONG in Vietnamese 20 Dec 85 p 1

[Article by Le Vu: "Many Places Carry on Control Activities, Prosecute Households That Make and Sell Moonshine"]

[Text] Kien An Controls 35 Households That Were Making Moonshine

Implementing the city's decision on controlling and prosecuting families that make and sell moonshine, the Kien An public security forces, in coordination with the district marketmanagement, tax and financial forces, recently concentrated on controlling and prosecuting the families in Dong Hoa, An Tien, Bac Ha and Nam Ha villages and the town of Kien An that regularly make and sell moonshine. The first morning, the work group caught 26 families in the act of making moonshine. At another nine households, they found various implements used in making moonshine. The district confiscated all the material evidence, which included 42 liters of moonshine, 540 kg of fermented rice, 22 kg of yeast and hundreds of cooking implements such as pots, pans, barrels, casks, jars and flasks.

Through controlling the production and sale of moonshine, the district public security forces also discovered and prosecuted a number of households that were selling gasoline, oil and cement illegally.

In other villages, together with the village authorities, the district security forces have carried on control activiites and educated the families that have engaged in making moonshine on a small scale. The families have pledged that they will not make or sell any more moonshine.

An Hai Resolutely Prosecutes Households That Were Making and Selling Moonshine

The An Hai Guidance Committee to Build a New Way of Life and Oppose Corrupt Social Practices recently raided 135 places where moonshine was being produced and sold. As a result, 50 households self-consciously stopped engaging in this illegal activity. The other 85 households continued to violate the law. Based on the nature of the violations committed by each household, the control units resolutely seized 72 cauldrons and cast iron pots and pans, 1,016 kg of fermented rice, 70 kg of yeast and 214 water jars, flasks, scales, barrels and casks of various types.

In close cooperation with the public security and control sectors, the Small Commerce Reform Committee and the village authorities, the district Guidance Committee to Build a New Way of Life and Oppose Corrupt Social Practices has implemented measures to educate, warn, fine or prosecute violators. A number of households who flagrantly produced and sold moonshine have been prosecuted.

11943
CSO: 4209/344

MILITARY AFFAIRS AND PUBLIC SECURITY

BRIEFS

NGO QUYEN SMUGGLERS, SPECULATORS--The market management teams in Ngo Quyen Ward have been strengthened, and they are now operating effectively. The ward has sent market management cadres to the subwards to coordinate things closely with the subward market management cadres and public security forces and the tax cadres. They are to manage the markets at the sites. The ward market management unit has concentrated on controlling prices and opposing speculation and smuggling. In November, the ward market management unit punished 145 offenders. Of these, 24 cases involved the sale of pork, 24 concerned the sale of illegal beer and liquor and 56 concerned incorrect prices. Among those punished by the market management cadres were smugglers who had tried to smuggle 5 tons of garlic to the south and traders who had sold cloth at the Ga Market without a business license for such goods. The market management unit also coordinated things with Cau Dat Subward to arrest and punish Nguyen Van V, who lives at Alley 148 on Cau Dat Street. He was caught making moonshine. Along with strengthening price controls and punishing the offenders, the ward market control unit has guided the traders in carrying on business activities, obeying the price regulations and opposing speculation and smuggling. [Text] [Haiphong HAI PHONG in Vietnamese 18 Dec 85 p 1] 11943

CSO: 4209/344

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HANOI YOUTH CAMP VISITED--From 15 to 17 March, nearly 30,000 general school, middle school, and supplementary education students in Hanoi attended the 1986 camp of the capital's teenagers, children and students acting upon Uncle Ho's teachings. On 17 March, the participants were happy to welcome Comrade Vo Nguyen Giap, vice chairman of the Council of Ministers; Comrade Nguyen Thi Binh, minister of education; and many representatives of various sectors and mass organizations who visited the camp and participated in its activities. After touring some areas and technical, military, and manual skill contests and the camp of the Dong Da General Industrial School, Comrade Vo Nguyen Giap cordially addressed the young campers. He reminded them to satisfactorily carry out Uncle Ho's five teachings by implementing the slogan "less talk, more work." At the same time, he advised all Hanoi teachers to turn the city's education sector into an exemplary unit for all localities throughout the country to follow. [Excerpts] [Hanoi Domestic Service in Vietnamese 1430 GMT 17 Mar 86] /12640

CSO: 4209/402

ECONOMIC PLANNING, TRADE, AND FINANCE

EXPLORATION PREREQUISITE FOR SOCIOECONOMIC DEVELOPMENT

Hanoi NHAN DAN in Vietnamese 31 Dec 85 pp 1, 4

[Editorial: "Improve Results in Making Basic Explorations, Making Rational Use of the Resources and Protecting the Environment"]

[Text] Maintaining the resources and correctly understanding the natural conditions and the socio-economic conditions are the prerequisites for determining the correct socio-economic development strategy, setting realistic targets based on the existing capabilities and expoliting these capabilities satisfactorily using a rational economic structure and a suitable management mechanism, eliminating bureaucratic centralism and shifting to economic accounting and socialist business enterprise.

Our country extends for approximately 15 degrees of latitude. There are a large variety of natural conditions and resources concerning climate, arable land, forests, the ocean and minerals that can be exploited on different scales. We have an abundant supply of laborers and many traditional artisan industries, and many new professions are being formed and expanded. We have not yet discovered or effectively exploited all these important capabilities. In mining and using many types of minerals, especially coal and apatite, there are excessively high losses. In general, there is a lack of planning and organization in exploiting the natural resources. Many times, the resources, such as forestry and marine products, are exploited in a disorderly manner, which results in resources being destroyed. Because of this, animal and vegetable life and the marine products sources in our country have decreased greatly, and the quality of the environment is steadily growing worse.

Even though efforts to make basic explorations have been made in many spheres and praiseworthy achievements have been scored, in general, there is no clear or comprehensive direction. Exploring nature has not been tied to making socio-economic investigations, and making explorations has not been closely coordinated with making rational use of resources and protecting the environment. Very few basic explorations are made in the sea and along the continental shelf. In general, the quality of this work is poor, and much of the data is inaccurate. Just as in organizing studies and obtaining and using data, there are many weaknesses in integrating and analyzing the data. This work has not satisfied the production expansion requirements or supported life and national defense in a timely manner.

Building and defending our socialist fatherland in the new stage has put forth many pressing requirements for making basic investigations in conjunction with making rational use of the resources and protecting the environment. The resolution of the Council of Ministers clearly states that the main target of this work is to provide adequate, timely and accurate data on the resources and environment and on the natural and socio-economic conditions in order to provide a basis for zoning areas, making charts on allotting and expanding the production forces, formulating 5-year and annual socio-economic plans and formulating economic and technical arguments for the large and important projects. The potential capabilities and the rules for allocating the basic resources must be determined clearly, and scientific conclusions must be reached concerning the special characteristics of the natural, social and economic conditions. Predictions must be made about the natural phenomena and the changes in the natural phenomena and environment in the various regions of the country. Based on this, there must be active measures to protect the environment, restore and develop the forest resources, protect the natural assets, restore and develop the living resources, make rational and integrated use of the mineral resources, land, water, forests, sea and climate, gradually overcome the effects of the war of aggression, protect the effects of the ecological systems in the tropical conditions here and take active steps to prevent damage to the environment and resources.

In conducting basic explorations, making rational use of the resources and protecting the environment, the broad targets stipulated in the resolution of the Council of Ministers can be hit only by implementing uniform measures and closely coodinating the tasks concerned. Along with continuing to promote basic investigations in specialized sectors, we must concentrate on making basic, integrated explorations in the various areas (above all in the areas that are of strategic importance concerning the economy and national defense) and localities. The emphasis must be on investigating the economic and social aspects and developing the key strengths that provide direction for making basic explorations of the sea and continental shelf.

In the country's real situation today, an urgent requirement is to strengthen the specific measures that are persuasive and effective, including economic, administrative and educational measures, in order to protect the environment and make rational use of the resources. The resolution of the Council of Ministers emphasizes that in making general charts on allotting and expanding the production forces, formulating sector and local economic development plans and formulating economic and technical arguments for the projects, it is essential to examine things carefully and have specific measures in order to protect the environment and protect and make rational use of the resources.

Under the light of the resolutions of the CPV Central Committee, making basic investigations will make it possible to carry on planning and make innovations in the management mechanism based on eliminating bureaucratic centralism, gradually shifting to economic accounting and socialist business enterprise, manifesting the drive and creativity of the sectors, localities and bases and strengthening unified management and guidance in this important sphere. It is essential to strengthen the material and technical bases and the ranks of cadres and workers, expand international cooperation, promote scientific research, make use of the technical advances, formulate and promptly promulgate regulations and policies and organize storing, obtaining and using data. These things must be done in order to improve quality and achieve greater results in making basic explorations, making rational use of the resources and protecting the environment.

11943
CSO: 4209/342

ECONOMIC PLANNING, TRADE, AND FINANCE

PROBLEMS WITH JOINT ENTERPRISE DISCUSSED

Hanoi DOC LAP in Vietnamese 11 Dec 85 p 2

[Article by Ngoc Son: "A Look at Joint Enterprise"]

[Text] In the past period, the joint enterprise organizations have played an active role in reforming and managing the markets. This is a transitional economic form. It is a step that is in accord with the policies and lines of the party and state in the sphere of reforming private commerce.

Using the formula of the state and private individuals both contributing capital, engaging in business activities together and sharing the profits and losses, to date, tens of thousands of medium-sized and large businesses have switched from individual and spontaneous business practices to organized business under the control of the state. This has contributed to restoring order on the distribution and circulation front and taking control of the markets.

Many business enterprise installations have manifested this very clearly in carrying on operations. Among these are the joint cloth sector in Dong Nai; the clothing sector in Kham Thien in Dong Da Ward, Hanoi; and the food and beverage, service and vegetable and foodstuffs sector in Ho Chi Minh City.

However recently, no joint enterprise installation has played an active role. From looking into this, I have found that a number of joint enterprise units and managing corporations still slight organizing and managing business enterprise. At these places, private businessmen are eager to become involved in joint enterprise, not with an attitude of improving things but in order to facilitate making profits, avoiding the control of the agencies responsible and reducing taxes. In short, they are trying to hide behind the facade of "joint enterprise." What has led to this state of affairs is that joint enterprise is fast paced. The objectives are not examined carefully. The professional standards of a large number of the state's control cadres are low. These cadres are not able to supervise and guide business activities based on the statutes and regulations of the state. Besides this, a number of state cadres assigned control tasks have taken bribes and become accomplices in the illegal activities of the private businessmen.

In Lam Dong, when selecting private individuals to engage in joint activities, people without business licenses and people who have retired from business have been selected. Of the 254 households participating in joint enterprise activities in the food and beverage sector, 30 households "changed jobs" a long time ago. In Duc Trong District, 17 households who have "secretely" sold rice chaff and rice have been invited to participate in joint enterprise.

Previously, the Gam Cau cloth market was under the control of Dong Xuan Subward in Hoan Kiem Ward, Hanoi. Normally, more than 200 households were engaged in business activities. On the average, about 200,000 meters of cloth were sold each month. Since May 1985, with the help of the cotton cloth and ready-made clothing corporation and the integrated business corporation in Hoan Kiem Ward, 92 households that sell cloth have entered into joint enterprise with the state and opened stores at the Dong Xuan Market. Each person contributed 8,000 dong. The Hoan Kiem Business Corporation sent two cadres to serve as store manager and assistant manager and, together with a number of personnel, carry on accounting activities at nine business sections. Each section can buy and sell cloth within the stipulated price range. On the average, each state cadre manages up to six private households.

After a period of operations, it became clear that a number of cadres did not have adequate management standards. They allowed private individuals to set purchase prices at the maximum level and sales prices at the minimum level, which is not in line with business realities, so that they could pocket the difference. Some people stole the receipts and disappeared without a trace. Following that, having gained experience, the stores abandoned management based on each business section. Instead, a special purchasing team was established to ensure correct purchase prices. However, a number of private business households here have devised a new method to get around this. They have used legal points to sell their cloth and transformed the stores into a place of exchange. The commodities are obtained from "mobile" storehouses. I would like to cite a few figures. Previously, the cloth market sold an average of 200,000 meters a month. Today, the cooperative stores sell only 100,000-120,000 meters. The Dong Xuan cloth market sells the most cloth because it offers a wide selection of cloth and prices are often lower than those at the state enterprises. And so why have sales declined now? Besides this, have the 100 cloth traders who do not have business permits really left the business? These are questions that the market management agency and tax bureau must ponder.

Besides the problems that have arisen in the process of organizing and managing business activities at the joint enterprise stores as discussed above, another problem that must be mentioned is that the managing agency that organizes joint enterprise must be an agency with business functions subordinate to the state economy. But at a number of places, many agencies and mass organizations that do not have functions try to make contributions and mobilize capital together with the private individuals in "joint" enterprise. In particular, consideration must be given to the fact that the subward marketing cooperatives that are subordinate to the collective economy are also engaged in joint enterprise. Thus, the "joint enterprise" stores belong to the collective and not to the state. In Thanh Hoa, as of August 1985, there were 34 subward marketing cooperatives that were engaged in joint enterprise with

58 households in the food and beverage business. The private individuals contributed capital and handled all the business activities at their locations. The cooperatives contracting out the work tacked on an additional amount that each household had to pay every month in order to include this in "cost accounting" and "distribution" based on the predetermined "framework." I would like to cite a specific case. Dien Bien Subward in Thanh Hoa City engaged in joint business activities with four households that sold rice, noodles and dog meat. Every month, these four households received contracts worth 77,000 dong, and they had to pay the cooperative 20 percent, or 15,400 dong. From this, they were allowed to subtract 4,620 dong for wages, expenditures, tools and so on. Thus, the actual amount paid to the cooperative was only 10,780 dong, which was only half the amount they used to pay in taxes. On 3 July 1985, the Central Board for the Management of Markets sent Official Letter No 12 strictly prohibiting the subward marketing cooperatives from engaging in joint enterprise with private individuals. A number of localities, such as Ho Chi Minh City, Hanoi and Quang Nam-Danang, have implemented this very well.

Since we began engaging in joint enterprise, have the state's sources of revenues increased or decreased? This is the question about which many people are concerned?

First of all, when people enter into joint enterprise with the state, their monthly taxes decrease greatly. However, this is replaced by the state commerce profits fee. On the other hand, in my view, if private commerce is actively reformed, even if the tax is reduced, there is nothing to worry about. Reality shows that at the joint enterprise installations that have organized and managed things well, the business results reflect good improvements and increased revenues for the state. Conversely, if joint enterprise is not carried on properly, management is loose and income is allowed to "leak out," not only will it be impossible to make improvements but state income will be lost. Take the case in Dien Bien Subward in Thanh Hoa City that was mentioned above. The four households were actually supposed to pay taxes of 20,790 dong per month. But after they became involved in joint enterprise, they had to pay the subward marketing cooperative only 10,780 dong in "profits." Out of this, the state received only 4,840 dong from the cooperative. Thus, it lost almost 16,000 dong. As for the cooperative, because of engaging in joint enterprise, it made almost 4,000 dong a month without having to do anything. At the Dong Xuan market in Hanoi, the average monthly income from cloth sector taxes used to be 300,000-350,000 dong. Now, the households are engaged in joint enterprise activiites and pay only about 200,000 dong in taxes. In Lam Dong, calculated for the 224 households that are engaged in joint enterprise, business revenues have increased 200 percent, but the amount going to the state has increased only 12 percent. Besides this, in a number of sectors that have become involved in joint enterprise, because management is loose, expenses are excessive and profits are low, state revenues have declined or increased only slightly.

The preferential tax treatment accorded the joint enterprise installations that are operating properly is rational. This is because the private households have switched to working directly with the state.

The point that must be made is that at a number of localities, in reforming private commerce, the state's tax policies have been used loosely and improperly. For example, the food and beverage industry has paid a business tax of only 1-3 percent while the minimum state tax rate is 6 percent. Also, private individuals enjoy too many items, including wages, various types of bonuses and secondary business revenues. Besides this, each month private individuals are allowed a tax exemption on revenues of 300-500 dong. This violates the tax law and has resulted in many private individuals having excessively high and irrational incomes.

I think that getting private businessmen to engage in joint enterprise with the state will create favorable conditions for them to concentrate capital and use their technical capabilities to promote business with good results. Based on this, the level of income will be suitable, but not by reducing taxes. In reforming private commerce, basic changes must be made in the old work formulas. These must be replaced by socialist business formulas. We must avoid making just superficial changes while leaving the funadmental nature of the businessmen unchanged. That could have negative consequences and lead to problems that might take much effort to solve.

11943
CSO: 4209/356

ECONOMIC PLANNING, TRADE, AND FINANCE

HAIPHONG, ENTERPRISES COOPERATE IN PRODUCING GOODS

Haiphong HAI PHONG in Vietnamese 17 Dec 85 p 1

[Unattributed report: "Central Enterprises in Haiphong Coordinate Things with the City To Produce Consumer and Export Goods"]

[Text] The Municipal People's Committee recently held a meeting with representatives of the central enterprises at Haiphong in order to d scuss having them coordinate things with the city with the aim of stepping up the production of consumer and production goods in 1986 and the following years.

Truong Quang Duoc, a member of the standing committee of the Municipal CPV Committee, presided at the meeting. He welcomed the central units and enterprises. They elevated their spirit of socialist cooperation during the past period, and this helped the city in many spheres and helped it achieve practical results. He said that in the present revolutionary stage, to implement the resolution of the 8th plenum of the CPV Central Committee and the resolution of the 38th plenum of the Municipal CPV Committee, the local municipal industries must expand quickly. They must produce many products to support production and life. Today, the central units and enterprises have great capabilities. This is why it is essential that they coordinate things with the city. This is an urgent matter that will benefit both sides.

Coordinating things with the city in order to step up the production of consumer and export goods is the responsibility and desire of the cadres and workers at the units. At the same time, full use must be made of the production capabilities, and good results must be achieved in production and business. The representatives from the central enterprises and units made several specific recommendations on coordinating things with the city:

Based on making full use of the production capabilities, additional products should be produced and sold to the city at rational wholesale prices. A number of other types of products should be produced using materials and equipment belonging to the city. Product groups should be organized with the participation of the central enterprises and localities.

11943
CSO: 4209/344

ECONOMIC PLANNING, TRADE, AND FINANCE

PAPER REVIEWS LABOR, POPULATION REDISTRIBUTION

BK220946 Hanoi Domestic Service in Vietnamese 2300 GMT 18 Mar 86

[19 March NHAN DAN editorial: "Satisfactorily Prepare Areas for Population Redistribution"]

[Text] Tasks concerning labor and population redistribution have been intensified and expanded for 1986, the first year of the 1986-90 5-year plan. It is a period in which our entire party and people will engage in the general rearrangement of all social labor forces to mobilize all sources of labor for high productivity and optimal economic results.

Our nation's economy requires the development of our largest and most precious capital--our abundant, diligent, and resourceful labor force. We must use our labor force in the short term, especially in the 1986-90 period, to exploit all agricultural land and most forest land. We must gradually increase the strength of our labor force to exploit the coastal and sea regions.

In carrying out the population redistribution, the tasks of preparing areas and building new economic population zones are very important factors determining the socioeconomic results of the redistribution work. Experience has shown that at places and localities where areas have been well perpared and production orientation promptly and correctly planned, the workers' and people's daily life is soon stabilized and production develpes, while natural resources are protected and rationally exploited. Some localities, however, have not fully realized the significance of preparing areas for population redistribution, so that people are sent to places thousands kilometers away with shortages in all categories. People leave such places quickly. This has had not only an adverse economic effect, but has also undermined the people's concept of and confidence in the task.

In preparing areas for population redistribution, we must, first of all, firmly grasp the characteristics of the local climate, land, natural resources, people, and cultivation methods. We must understand the local economic and national defense situation. We must use these data and characteristics as a basis for fixing new populated areas, designing labor structure, forming core cadres groups, and formulating a distribution plan in line with the production orientation of each grass-roots unit and

the region as a whole. These tasks must be carried out in accordance with the general socioeconomic development plan.

The purpose of preparing areas for redistribution is to solve various basic problems regarding destinations, the number and professions of the people to be redistributed, and the immediate requirements of the workers' material life. We must also create factors to ensure production and other activities in support of communications and water conservancy projects, land reclamation, construction of public health centers, and so forth.

Many localities have effectively coordinated with receiving places and developed the combined strengths of various sectors, echelons, and grass-roots units, thereby promptly preparing areas for the redistribution despite limited funds and materials provided by the state. These localities are thus able to stabilize the people's daily life quickly in their new zones and help them engage in production in a short period of time, thereby bringing about fine economic results.

Areas for population redistribution are prepared at receiving places. Which normally face difficulties in terms of cadres and the ability to organize and implement the task. As a result, localities sending people out must assign enough cadres of various sectors and skills to help receiving places prepare areas, especially provinces in the Central Highlands. Popluation redistribution to a certain place normally lasts for about 1 day or 1 week, but preparing areas for the redistribution tasks longer because it is aimed at building new economic population zones and creating long-term bases for establishing socioeconomic development programs to carry out satisfactorily the strategic tasks of building the nation and strengthening national defense.

The task of preparing areas for population redistribution must be carried out in advance. Localities must promptly establish a contingent of cadres for this task to fulfill labor and population redistribution triumphantly in 1986 and afterwards, thereby achieving the objectives of exploiting all fallow lands and providing jobs for all workers.

/12640
CSO: 4209/402

ECONOMIC PLANNING, TRADE, AND FINANCE

NHAN DAN ON SUPPLY, TRANSPORTATION PROBLEMS

BK201337 Hanoi Domestic Service in Vietnamese 0500 GMT 18 Mar 86

[NHAN DAN 18 March report by (Khanh Quang): "The Supply and Transportation of Materials Still Remains a Cause for Concern Among Primary Production Installations"]

[Text] The supply of materials to primary production installations is a burning issue for many reasons: Demand is large, the sources of materials are limited, and the quality, quantity, and supply rates of many materials are still inconsistent. All these factors have caused a lot of difficulties to production. We must also take care of the issue of how to limit the expenses generated during the process of trading and shipping raw and other materials.

These expenses are among the causes of input troubles which make production costs soar irrationally. No matter what name you give to these expenses--negative expenses or, better still, kickbacks or public relations money--these amounts are considerable and cannot be overlooked. Some installations have asserted that these expenses usually account for 0.3-0.5 percent of the unit price of materials.

These percentages fluctuate depending on time and locality, the relations of trade, and the quality and scarcity of the materials being sought by production installations. These amounts of money are normally used to defray several expenses in the process from the time when materials are allocated on paper--plan norms--to the time when transactions are actually made to receive the materials such as picking up invoices and voucher numbers; checking, loading, and unloading materials; paying drivers and wheeler-dealers in materials, and so on.

All the transactions need not necessarily be paid for. The payment still depends on the quality of cadres and workers and the organizational, managerial, and educational tasks. However, it is generally difficult to get the materials if production installations refuse to pay a little more.

The director of a factory which has recently adopted an independent accounting system, said: For the first few months, we did not know about these rules. Although we had the material allocation orders in

hands, we still could not get the issuing vouchers. At times, our trucks came back empty.

There are endless reasons for the issuing agencies to refuse: The materials have not arrived; the materials have been earmarked for major and targeted projects and units of priority numbers 1, 2, 3 and your installations do not fall in these categories, you will have to wait.

Fairly speaking, nearly all these excuses are legitimate and true. However, at times they have been made with unjust demands. If these demands were met--a kickback was added--everything would go smoothly even though the above excuses still existed.

Small consignees still remain the hardest hit by expenses. Materials are primarily distributed to targeted and priority installations. The recognized regular transportation forces of the communications and transportation sector are also mainly used to transport materials for these installations.

Many small consignees who are faced with pressing demands for materials, usually rest their cases or use their own facilities--generally trucks--to pick up materials at the issuing source. Picking up materials this way not only causes high expenses because of the use of trucks but also is a waste because cargo is only carried one way and does not use the full loading capacity of the trucks. Sometimes, a 5-ton truck has been used to pick up some quintals of welding rods and a few of gas cyclinders. Some units have sent their trucks over a thousand kilometers to pick up matreials. At other times, trucks had to stay idle for several days waiting for cargo and the drivers had to pay for their food and lodging. Then, some calculations had to be made.

In the parlance of the expediters in materials, we can say that some small consignees are only too willing to compromise when kickbacks can act vigorously provided that materials can be quickly obtained and results attained for their units.

From the standpoint of production installations, such a way of doing business is still profitable: If there are no materials, machines will not operate, no products will be turned out, workers will have no jobs or pay, and losses will be even larger.

There are also several problems to be solved in the loading, unloading, and shipping of materials. Without mentioning negative manifestations, many production installations have had to accept unfair treatment when hiring transport to move materials, according to trading procedures, the seller must load the purchaser's trucks. However, some units that sell materials have required the purchasing units to load the trucks by themselves. Since the units involved have no other source of supply nor reserve stock of materials, many production installations have had to accept this condition.

It is the consignees who have to shoulder all the losses encountered in loading and unloading cargo. Trucks from a factory came to pick up coal at a river port. Trucks from a factory came to pick up coal at a river port. The factory director agreed to tip the crane operator only after the requested service had been completed. By the middle of the workshift, the crane operator said that the crane was out of order and work could not continue. Some of the factory's trucks had to return empty. Although a few days later the factory could get all the requested coal, this could only be acheived at the cost of a severalfold increase in time, manpower, and fuel losses and with a lot of headaches for the director.

All these material losses finally went into the production costs of the factory. As for the river port authority that let the crane break down either inadvertently or intentionally, it did not have to compensate anyone. A similar case also happened in shipping. The chief of D factory's planning office told us: We sent trucks to a railway station to carry gravel to build a project. If we delayed unloading the gravel for some reason, we would be fined 150 dong for every hour of delay. However, if the train carrying gravel came late becasue of some mechanical breakdown and such a delay caused difficulties to production in our factory, the railways sector did not have to pay anything. Moreover, sometimes the transport authorities used cars of 40-ton capacity--if the cars are used to transport steel rods--to carry gravel. As the side panels of the cars are low, each car could carry only approximately 15 tons of gravel. When the accounts came in, our factory had to pay freight for 40 tons--a loss of 25 tons. The freight cars are under the control of the railways sector while the irrational expense was charged to our factory's accounts.

We have not yet mentioned the loss of gravel during the course of transportation which is considerable. This is truly unfair. This is only the case of production units which have been allocated quotas of distribution, trade contracts, and shipment contracts as planned. How about the case of materials that have been circulated through economic integration and barter and that have been shipped not in accordance with plans. The prices of these materials are more casual and all the accompanying expenses also float with an upward tendency. Purchasers are sometimes faced with the requirement of paying in cash or in kind. To fulfill this requirement means another item of expense for purchasers.

What is of concern is that most of the self-procured materials are placed under the unified management control of the state and account for a higher percentage of the total amount of raw and other materials used in production by many installations. Everyone knows that industrial products and construction projects normally consume the most fuel, raw and other materials. For example, in the production costs of textile, leather, and clothing products, the costs of materials account for about 80 percent while they are only 75 percent in the chemical industry, 70 percent in paper production, 60-65 percent in machinery manufacture, and 60-70 percent in rail construction.

All the extra expenses are only meant to secure a relative guarantee for the timely supply of the correct types of materials in good quality and proper amounts. No matter what the requirement is, production installations always have to pay the extra costs.

Moreover, this is not merely an economic problem. The failure to correctly administer expenses generated during the process of trading and shipping materials can easily lead to the degeneration of some cadres and workers and create loopholes for some villains to siphon state materials off to the free market.

This is the very reason why no production installations fail to pay attention to resolving this problem, especially when they begin to shift to socialist economic accounting and business transactions. Much work and effort has been exerted by several units involved--production, supply, and transportation units--in order to ship materials over the shortest route and receive them at the most convenient terminal with minimum costs without going through intermediary agences so that negative aspects and irrational expenses can be limited and losses can be reduced during the course of trading materials.

The experiences gained by some successful localities show that they have combined educational, administrative, and economic measures with one another among which the most noteworthy is that they have delivered materials directly to user units, bypassing those unnecessary intermediary agencies. Major units using large amounts of coal, such as cement and electric power plants, have applied this procedure by receiving coal directly from mining areas.

We can also improve the quality of economic contracts. Both purchasers and sellers should conclude contracts with transportation units not merely on trading procedures but also on specific details linked to material responsibility. On this basis, we can establish a in which the responsibility and benefits of each participating person and component clearly determined, linked to the planned norms, and placed under close guidance and control.

Some other problems such as the measuring and weighing procedures used in delivering and receiving materials have not been positively dealt with. All sides concerned have agreed with one another to establish temporary rules for implementation. The application of these procedures to receiving fertilizer, ores, and coal from some sea-going ships have yielded quite good results.

We may further implement a system of bonuses or incentives in a well policed and organized manner to reward those who directly participate in the effective supply and shipment of materials, including those who are in the recipient units and other related installations.

However, the problem is not so simple. The reduction of expenses generated during the supply and shipment of materials is closely linked to effort to ensure a stabilized supply of material to production installations, and must be carried out uniformly in several respects. If we fail to satisfactorily rearrange production in line with the availability of funds and materials, extend the right of self-government to installations, improve the procedures of providing and shipping materials, and apply a pricing discipline, production installations must depend on authoritarianism to get materials. Authoritarianism is a product of bureaucratic centralization and subsidy-based administration.

To enable primary installations to be self-governing in production and business, it is time to stipulate that the organization and supply of services and materials must be governed by contracts in which rewards and punishments are clearly specified.

/12640
CSO: 4209/402

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

PROBLEMS WITH JOINT BUSINESS ACTIVITIES--Implementing the resolution of the 8th Plenum of the Party Central Committee, the ward people's committees in Hanoi Municipality have recently made a great effort to expand the joint business organizations with the private businessmen and rearrange business in the wards. But in a number of subwards and wards, because of failing to adhere to the targets and requirements in carrying on business activities jointly with private business, too many of these elements have been admitted into the marketing cooperatives and given "blank-check" contracts to do whatever they want. They don't have to pay taxes to the financial agencies directly. All they have to do is turn over part of their profits to the cooperative. Hiding behind this "joint enterprise" form, they have appropriated goods and sold a number of types of goods that have not been registered. Besides this, customers come to these places to purchase goods on which taxes have not been paid. Such joint business activities will benefit only the private businessmen. Thus, strict measures must be implemented to control the recently reformed joint-business stores. Private commerce must be used to benefit the state and society. [Text] [Hanoi LAO DONG in Vietnamese 26 Dec 85 p 7] 11943

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HEAVY INDUSTRY AND CONSTRUCTION

STATE OFFICIAL OUTLINES GAS, OIL SITUATION

Hanoi TO QUOC in Vietnamese Feb 86 (Lunar New Year Special Issue) pp 20-21

[Interview with Master of Science Tran Ngoc Toan, Deputy Chief of the Science Management Department, General Department of Oil and Gas, by Bui Xuan Vinh; date and place not given: "What About Oil and Gas in our Country?"

[Text] Meeting Master of Science Tran Ngoc Toan, Deputy Chief of the Science Management Department, General Department of Oil and Gas, I brought with me the anxiety of many readers concerned about the state energy sector. I asked him:

--Sir, for a time and even now, there are people who think that Vietnam lies in the "oil navel" of the world. However, 10 years have passed and the oil still lies peacefully at the bottom of the sea. Originally optimistic, a number of people are beginning to feel pessimistic. As a scientist, what do you think about the anxiety of the readers?

--That is the general state of mind of many in the face of the "information blackout" created by the oil and gas survey corporations of capitalist countries. When the Americans invaded our country, they used oil and gas like a type of weapon against us. At that time, a few American papers babbled that the oil and gas reserves in the Middle East compared to Vietnam were like a "stamp pasted on the back of an elephant!" We must assert one fact to the readers: both the stories of a "stamp pasted on the back of an elephant" and of "an oil navel" are false!

According to calculations made by the United Nations, oil reserves throughout the world are about 92.5 billion tons with about 2.5 billion tons in Southeast Asia (meaning about one-thirty seventh). Thus, the oil reserves in Vietnam are limited!

The search for oil is extremely difficult because it does not lie under the open sky like a number of other minerals. The first task is exploration by extremely complex geophysical methods. The second, relying on the geophysical survey, is to conduct survey drilling in designated locations which is as difficult as "groping for a needle at the bottom of the sea." The shallowest well in the world is 50 meters deep but most are as deep as 1,500 to 5,000 meters and in some locations were up to 7,000 meters deep before oil was found. "To go 1 meter into the earth is more difficult than thousands of kilometers in space" is a comparison made by geologists.

The drilling of deep wells requires the use of modern and expensive technical equipment. The cost of a Soviet submersible drilling platform is about 35 million dollars and the vessel Michin (presently drilling at Vung Tau) is worth about 190 million dollars. To drill a subterranean well, whether oil is hit or not, costs in the millions. For example, it costs 14 million dollars to drill 5,000 meters in Texas, in Canada 28 million dollars, in Alaska 22.5 million dollars, etc. That is not counting a production line for exploiting and processing the oil which must be extremely modern and extremely expensive. In constructing a pipeline from the drilling platform to shore, the cost of each kilometer is 10 million dollars. If two lines are used (one for gas and one for oil), the cost is doubled. In oil and gas exploitation, "guts are needed to become rich." The annual investment in oil and gas of other countries is extremely great: Saudi Arabia, hundreds of millions of dollars; Iran, 21.7 million dollars; Iraq, 8.4 million dollars; and Algeria, 4.7 million dollars. Vietnam must also invest at the "million" level before an oil and gas industry can be established. Only one connected with oil and gas can fully feel the profound meaning of the proverb, "Difficulty binds shrewdness."

--You speak the truth. We have just awakened from our "oil and gas infatuation." May I ask you, is it true that people previously thought that our oil "flowed" into the northwestern mountain region?

--Could it be that you are asking about the history of the oil and gas sector of our country? Previously, signs of oil and gas were discovered by French geologists in the Lich Mountain region of Yen Bai. During the war of resistance against France, our troops cooked with oil shale in Son La. During the years from 1960 to 1964, survey teams found lumps of coagulated oil in limestone caves. A fairly universal hypothesis at that time was that Vietnamese oil and gas was located in the An Chau region and the Hanoi depression. Survey teams actively searched, equipped only with obsolute equipment produced during the fifties. During the years from 1970 to 1975, signs of oil and gas were found in the Hanoi depression but reserves were small. In February of 1975, we discovered the Tien Hai gas reservoir in Thai Binh but the reserves are not large. It is presently being tapped (a few tens of millions of cubic meters annually) to supply the Thai Binh electric power station. It may be said that the history of Vietnamese oil and gas began with Thai Binh. To the present time, we have defined five regions with oil possibilities located on the continental shelf: the Gulf of Tonkin, off the Cuu Long coast, the sea area south of Con Son, the midland coastal area, and the Gulf of Thailand. On the southern continental shelf, we have drilled and encountered oil at a depth under 2,000 meters. Although the oil reserves are not known for sure, they are temporarily enough for us to "live." Therefore, the Soviet Union is actively assisting us to search for, survey, and exploit oil on the southern continental shelf.

--Would you let us know about the cooperation between Vietnam and the Soviet Union in the exploitation of oil and gas?

--In a pure proletarian international spirit, the Soviet Union has provided us with great assistance in the war of resistance, in protecting the country, and in building socialism. It is the same with oil and gas. Since 1960, the Soviet Ministry of Geology has annually sent specialists and equipment to join us

in exploring the Hanoi depression in a generous and fair manner. An agreement signed by Vietnam and the Soviet union on the cooperative search for and exploitation of gas and oil has opened new pages in the history of Vietnamese gas and oil. The form of cooperation presently being implemented at Vung Tau is the joint enterprise, meaning that both parties contribute an equal amount of capital and send personnel down to engage in joint handling and work. The Soviet Union has sent many skilled specialists to work and simultaneously provide on-the-job training to cadres of all types from scientific and technical to management, and to skilled workers for Vietnam. The Soviet Union is assisting us in an extremely active manner to swiftly exploit enough oil for domestic requirements and to rapidly acquire the conditions necessary for advancing toward self-construction of a Vietnamese oil and gas industrial sector.

Vietnamese-Soviet cooperation is extremely advantageous. Our friends are helping us to become the "boss"; and are also resisting "subsidization" internally as well as in the international cooperative relationship. The rate of our work compared with the world is rapid. The world average from the time that oil is discovered until exploitation is 5 years but it took us only 4 (when Drilling Platform 1 began test pumping). A number of specialists from foreign countries passing through Vung Tau have commented that, "The Soviet Union must be assisting Vietnam in an extremely active manner to achieve such a rate." Everything from soldering irons, screws and door locks are transported here from the Soviet Union. I can assure you that our ranks of Vietnamese cadres and workers are working. It is true that "God" endowed our people with an intelligent brain. For example, the assembly of Drilling Platform 1 was undertaken entirely by the Soviet Union; but our cadres and workers played a big part in platforms 2, 3 and 4. Our Soviet friends were struck with admiration.

In the Southeast Asian region, it is common to drill nine holes before oil is struck. In the world, one hole in twelve strikes oil. On the southern continental shelf, the Soviet Union and Vietnam have "luckily" drilled four holes and struck oil four times! This joyful news greatly encouraged our leaders and they "pushed" for truly rapid work! The oil and gas sector is striving wholeheartedly to answer these extremely urgent desires of the people and the party. However, oil and gas like humans must carry a heavy load for 9 months and 10 days before giving birth. Nor can one be impatient. Disrespect for technical rules and voluntarism will lead to great losses that can never be beneficial.

We are presently test pumping in the Bach Ho reservoir area. The test pumping period takes 2 years and is frustrating and difficult. Only one small example illustrates this: a ship is required that is big enough for 300 men to eat, sleep and work. Vietnam has only one, the Thong Nhat. If we use it to support the exploition of oil and gas, what do we use to haul passengers? Only upon impact does one know the expense and difficulty. It is not like people describe "toiling" oil barons. According to estimates, by 1990 and 1991, we will only have suffient oil reserves to meet domestic obligations. An oil refinery with a annual capacity of 6 million tons, constructed by the Soviet Union in Vietnam, will appear in the plan next year. At the time in which the Da River and Tri An electric power begins to produce light, our oil and gas sector will also begin to bear a label on the barrels: Made in Vietnam.

Through this bit of information on gas and oil, we wish to contribute to a joyful spring for every home.

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HEAVY INDUSTRY AND CONSTRUCTION

CONSTRUCTION COMMISSION REVIEWS 1985 TASKS

BK221134 Hanoi Domestic Service in Vietnamese 2300 GMT 19 Mar 86

[Text] The State Capitol Construction Commission recently held a conference to review the 1985 management task in capital construction and discuss measues for 1986. Delivering a report at the conference, Professor Do Quoc Phan, chairman of the State Capital Construction Commission said: Last year the management task in capital construction advanced another step in accord with the trend of eliminating bureaucratic centralism and state subsidies and in line with resolutions of the party Central Committee plenums and Resolution No 166 of the Council of Ministers on improving management in capital construction. These efforts contributed to the success of the capital construction sector last year. In 1985 we completed and inaugurated many important projects including the Thang Long Bridge, the Chuong Duong Bridge, generator No 3 of the Pha Lai thermoelectric power plant, the Vietnamese-Soviet friendship and cultural palace, the Xuan Mai prefabricated concrete factory, the La Nga sugar factory, and so forth. However, these efforts were not vigorous and comprehensive.

The conference heard a letter from Comrade Do Muoi, member of the CPV Central Committee Political Bureau and vice chairman of the Council of Ministers, pointing out various urgent measures that should be carried out satisfactorily in the management of capital construction for 1986. The letter said: First, we must firmly supplement the capital construction plan, strive to save at least 10 percent of the construction expenses, and formulate construction plans for the 1986-90 period. Second, we must study and apply new management mechanisms to capital construction, while the State Capital Construction Commission and other combined sectors must be based on the spirit of ensuring the right to initiative of grass-roots units to issue appropriate management regulations. Third, we must accelerate scientific study and apply technological advances and new, effective management models. And fourth, we must satisfactorily develop the management system in capital construction at various sectors and echelons.

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CSO: 4209/402

LIGHT INDUSTRY

WORKER COMPLAINS ABOUT SHORTCOMINGS IN NEW PRICING SYSTEM

Hanoi LAO DONG in Vietnamese 19 Dec 85 p 3

[Article by Nguyen Thi Thanh Thuy, a worker in the spinning shop of Thang Lang Textile Mill, Hanoi: "Making Progress, But Still Groping"]

We manufacture two types of products at Thang Lang Textile Mill. The first is produced for other countries and the Army. The second is produced for domestic consumption.

With the first, there is no problem when it is time to settle accounts, as long as there is sufficient volume and quality.

With the second, the matter is not so simple. I would like to present two examples.

Due to the new price level, reasonable costs of the size 85 athletic undershirt are rather high, but the producer must bear the loss of 5.68 dong in order to ensure consumer acceptance.

The cost of material has gone up to .55 dong more than the selling price of size 3 cotton shirts, which is set by the home trade sector. The enterprise has therefore gotten behind by 90,000 articles of cotton clothing and 226,000 other items since October, which has made it necessary for the confederation of enterprises to borrow money to pay wages to workers.

The same thing is true for equipment. The price of the same piece of equipment varied greatly from one month to the next because the rates of price change were so different that it was unknown how to calculate depreciation.

Personnel working in supply and marketing noted that when Resolution 8 was implemented, production units somehow shot each other in the backs by changing their "V" (unrationalized) into the "C" (production materials) of the next unit.

The production plan for the 4th quarter this year was rather onerous, because a lack of lubricating oil caused a stop in production during the 1st

quarter, and there was an electrical failure for 1.5 months during the 3rd quarter, but workers stuck to their machines, relied on the electricity, and resolutely completed the goals set by the city (approved at the second session in June).

Yet it is unclear what benefit there is to having completed the plan. With prices like they are, how are profits and losses to be calculated? And goals will certainly not appear on the final statement at the end of the year.

It is clear that we are trying, but our progress is a groping one.

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TRANSPORTATION AND COMMUNICATIONS

REPORT ON BUILDING NAM TOUANG BRIDGE IN LAOS

BK221142 Hanoi NHAN DAN in Vietnamese 21 Feb 86 p 3

[Report by Quoc Khanh]

[Excerpts] Early last year cadres and workers of unit No 1 of Bridge Construction Enterprise No 75 held a ceremony to start work on the Nam Touang bridge in Laos. It was not accidental that unit No 1 should be entrusted with this task.

Through many years of carrying out international obligations in a friendly country, the unit has scored many achievements and is the recipient of the rotation banners for outstanding units in emulation drives and in ensuring the quality of projects.

The Nam Truang bridge links Laos and Vietnam through Route No 8 which runs across many fertile areas from Vientiane to Bolikhamsai, a province rich in precious timber. The road runs across the Lao-Vietnamese border to Cua Lo port. This is the shortest and most convenient route for Laos to reach the outside world by sea.

Implementing the SRV-LPDR Treaty of Friendship and Cooperation and the Nghe Tinh-Bolikhamsai agreement, since summer 1985 Laos has used Route No 8 to transport timber for export. Laos' economic development and national defense programs require Route No 8 to be upgraded into a modern road, and the Nam Touang bridge is an important part of this friendly communications system. According to the blueprint, the bridge is to be 40 meters long and 9.5 meters wide, carrying trucks weighing 80 metric tons. The bridge consists of two lanes for heavy trucks and another tow for bicycles and pedistraïns.

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LABOR

RESOLUTION COVERS 1986-1990 TRADE UNION TASKS IN AGRICULTURE

Hanoi LAO DONG in Vietnamese 19 Dec 85 p 3

[Excerpts from Resolution V of the Executive Committee of the Confederation of Trade Unions: "Mission of Workers, Civil Servants, and the Trade Union Organization on the Agricultural Front During 1985 and the Years 1986 to 1990"]

[Text] Forward: The Executive Committee of the Confederation of Trade Unions recently met to review the effort to mobilize workers, civil servants, and trade unions to provide service to agricultural production. The committee released a resolution on "the mission of workers, civil servants, and the trade union organization on the agricultural front during 1985 and the years 1986 to 1990." LAO DONG Newspaper covered the conference. In order to help trade unions adhere to the spirit of the new resolution of the Executive Committee of the Confederation of Trade Unions, we present here some basic excerpts from the resolution passed by the Executive Committee.

Mobilize Workers, Civil Servants To Emulate Surpassing Production Goals; Supply Increasingly More Production Materials, Consumer Goods to Agriculture

Trade unions in industrial sectors that manufacture production materials hold emulation drives for workers and civil servants to strive to exploit every potential in labor, machinery, equipment, and materials and surpass all targets of the state plan, including norms for products with direct application in agriculture which are of high quality, produced on schedule time for the cropwork cycle, and coordinated with production requirements and farming customs of the locality. In addition to the main products mentioned in the plan, trade unions mobilize workers and civil servants to utilize all production capacity and all remnants and left-over materials to create more by-products and help localities to produce and repair all types of farm implements and machinery for processing farm produce.

Each installation in every sector must make concrete plans for actions that produce effects in agriculture at the basic level in their own locality.

Actions to be taken include joint and combined economic endeavors, assistance in training technical workers, etc.

Trade unions in processing industry and consumer industry sectors for which the principal raw materials are agricultural products must educate cadres and workers to realize that the existence and development of their sector and enterprise depends on direct action in agricultural production. Trade unions hold emulation drives to make good use of raw materials supplied by agriculture, heighten the efficiency with which raw materials are turned into products, reduce waste and loss, and strive to surpass all goals of the state plan. Trade unions participate in political power by planning joint economic endeavors with the locality to raise industrial crops that supply many raw materials to the factory and help the locality develop small industry and handicrafts. They can also attract compatriots in crop-specialization areas to become workers on state farms and state forestry projects.

Trade unions in scientific and technical research agencies, colleges, and technical stations and camps must get people to sign up for drives to implement scientific and technical research projects closely tied to agricultural production, daily life, and national defense. Coordinating with specialists, trade unions determine which research projects to conduct and what technical advances to apply in production. They also encourage use of technical/economic and insurance contracts concerning seed and water, working the land by machinery, and protecting crops and livestock.

Trade unions in the communications and transportation sector and the construction sector mobilize workers and civil servants to conduct emulation drives to ensure that planning goals are met for transporting production materials, consumer goods, and farm produce for the locality. They must step up planning and design efforts to help agricultural cooperatives to build up the material and technical base, improve inter-hamlet and inter-village communications, supply citizens with essential materials, and step up the effort to "tile the countryside."

Trade unions in food and trade sectors must educate workers and civil servants to combat attitudes of possessiveness and stop incidents of harassment when buying farm products and irresponsibility when implementing marketing contracts with farmers. Trade unions mobilize workers and civil servants to develop the socialist trade network, arrange direct, two-way exchanges with farmers, and perform actions that produce effects in production in the interest of having farm commodities. Trade unions in the foreign trade sector are to mobilize workers and civil servants to guide production and organize control of many more export goods.

Trade unions in cultural and health sectors are to mobilize workers and civil servants to do a good job of developing the cultural mission, build the health network in the countryside, further intensify the "3 Construction Projects, Surpass 5 Goals" Movement, and provide birth planning guidance.

The education sector trade union is to mobilize cadres in the sector to implement the education reform policy set by the party, making each school in the countryside a center for popularizing and applying technical advances in agricultural production.

The posts and telecommumications sector trade union will continue to mobilize drives to raise the quality of information, develop the posts and telecommunications network down to villages and hamlets, and make valuable contributions to the efforts to guide agricultural production, avoid natural disasters, and strengthen national defense.

Trade unions in other administrative and professional sectors, depending on the function and mission of their sector, will conduct emulation movements to surpass plan goals, respond on time to the needs of agricultural production, and build the new countryside and the new man of socialism.

Conduct Interconnected Emulation Movements To Dispose Favorable, Positive Conditions for Agricultural Cooperatives in Basic Technical Phases in the Process of Agricultural, Forestry, and Marine Production

In order for agricultural production to flourish and attain socioeconomic targets for the years 1986 to 1990, trade unions in agriculture, water conservancy, electric power, machinery, and materials sectors must educate and motivate workers and civil servants and hold emulation movements to firmly guarantee technical phases for which the workers and civil servants are responsible and direct emulation movements of workers and civil servants toward the following goals: to respond on time to the needs of agricultural production with good quality work, to stop harassment and blackmail, and to induce farm compatriots to act accordingly.

District trade unions will mobilize workers and civil servants to get deeply involved in the main technical operations, as follow.

In water conservancy, they will promote the drive to exploit and manage water conservancy projects well, to expand the amount of land that is scientifically irrigated and drained, and to conduct basic water conservancy projects. Depending on the production region, emulation movements are to be held to conduct appropriate water conservancy projects in the interest of agricultural production. Emulation work must contribute positively to land improvement, increasing the fertility of soil, expanding the amount of land planted in winter crops and the land in which industrial and export crops are raised, protecting crops, and countering drought, waterlogging, and flooding.

In tilling operations, they will expand the use of tilling machines and raise mechanized tilling quality to an advanced level, and they will effectively coordinate large tractors, hand ploughs, and bovine draft power to guarantee that the land is tilled on time. They will use machinery more efficiently and effectively and conserve energy. Farm machinery must

contribute positively to the improvement of fields, clearing land, and developing new economic zones.

In the seed phase, they will raise the quality of crop seeds and animal breeds via a transplanting structure appropriate to each region along with a policy that combines agriculture and forestry and by creating breeds and rapidly increasing the numbers of swine, bovines, and poultry, strongly developing the raising of industrial chickens and hybrid ducks and the culturing of fish. In addition to making progress with seeds and breeding, they will perfect technical regulations on feeding for distribution to farmers.

In regard to supplying fertilizer, livestock feed, and technical materials, in addition to providing chemical fertilizer on time and in quantities called for by the plan and by signed contracts, workers and civil servants will pay attention to guiding farmers in the balanced application of fertilizer at the right time for plant growth, and they will promote production drives to exploit and utilize all local sources of organic fertilizer. In animal husbandry, forms of joint economic activity must be encouraged between state-operated installations and collectives and families. Technical materials of the right types and in sufficient quantities must be supplied directly into the hands of the producer, with less damage and loss. The practice of predicting technical materials for farmers must become more widespread, along with settling accounts after harvest and finding more sources of materials for agricultural production.

As for operations to protect crops and livestock, trade unions will encourage workers and civil servants to sign economic and technical contracts to protect crops and livestock, which will tie workers and civil servants more closely with farmers, because they share responsibility for the final product. Workers and civil servants will mobilize and guide farmers to coordinate implementation of integrated plans to protect vegetation and livestock and expand the practice of signing contracts to protect the entire area under cultivation and livestock herds and flocks on the district scope.

On the basis of those five technical operations, district trade unions in different regions, based on the real situation in each place, will decide on concrete actions aimed at contributing to the effort to bring agricultural production in the locality to comprehensive and strong development.

Trade unions in delta regions, with the Red River and Mekong Deltas the key locations, must orientate movements to concentrate on completely guaranteeing that the five technical operations are performed, especially in regions of high-yield intensive cultivation.

Trade unions in areas on the outskirts of large cities and industrial zones are to pay attention to directing interconnected emulation drives among workers and civil servants to unite with farmers to form a strong food belt, rapidly increase local sources of food, strongly develop the processing of

farm produce and fruits and vegetables, and guarantee a food supply for the city and export goods.

Trade unions in coastal regions will stress organizing interconnected emulation drives among workers and civil servants to implement economic contracts and dispose conditions favorable for fishermen and salt farmers to exceed goals for catching fish and producing salt, to ensure that food and all essentials are on time, and to organize good product marketing, storage, and transport.

Trade unions in midland and mountain districts must promote strong development of the united agriculture and forestry movement, to make hilltops green and "take from the forests to nourish the forests and take from the forests to nourish man and enrich the locality and the entire country." Each district has a coordinated plan to plant agricultural and forestry crops to partially satisfy the demand for food and rapidly increase sources of high-value export goods. Workers and civil servants in state forestry projects occupy a key role in turning over land and forestry to cooperatives and farmers, guaranteeing seed operations and techniques, and helping the locality develop the forestry profession.

Trade unions in border regions of the north must combine mobilizing workers and civil servants to conduct production emulation drives with preparing for combat and combat support, seeing to the daily life of workers and civil servants and their families in case of war, and at the same time regularly teaching a heightened spirit of awareness and protecting the agency or enterprise.

The forms and methods employed by the district trade union to organize emulation movements must be incisive and active, and must take into account the special characteristics of local climate, land, and cropwork habits. The district trade union should organize well such activities as campaigns to send off troops, rallies to go out to the fields, meetings to present money and land to highly productive workers and farmers, worker-peasant exhibitions, worker-peasant cultural halls, skill tests, and good worker tests, in order to promote a diligent work ethic among workers and civil servants. Trade unions must encourage signing economical and technical contracts and combined and joint economic activities, ensuring that interests of the state, the collective, and the worker are harmonized. In each occupation, they must conduct regular emulation movements that have progressive themes and tangible effects on agricultural production in the locality.

Provincial and municipal trade union federations, in addition to guiding trade unions to hold interconnected emulation movements on the district level, must also take the initiative to organize interconnected emulation movements on the provincial scope aimed at solving important issues and ensuring success with the agricultural production goals of the province. Trade union federations are responsible for participating in the production planning process, building the local agro-industrial economic structure, and

participating in the implementation of plans that contribute to promoting the three revolutions in the countryside and building the new socialist countryside.

Trade unions of central sectors, especially agriculture, forestry, water conservancy, and electricity, will use their network to educate and motivate workers and civil servants to emulate the thorough accomplishment of the mission entrusted them on the agricultural front. In operations that require inter-sector coordination, depending on the leadership position of each sector, [particular trade unions], especially the Vietnam Agricultural Trade Union, must take the initiative to organize interconnected emulation movements in timely response to the needs of agricultural production. The Vietnam Agricultural Trade Union must coordinate closely with the Ministry of Agriculture in the organization and guidance of emulation movements to "do good farm work" in state-operated agricultural installations, establish technical agricultural support elements on the district level according to a system that does away with subsidy and bureaucracy, and implement socialist business accounting.

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HEALTH, EDUCATION, AND WELFARE

SECRETARIAT ISSUES CIRCULAR ON SPORTS GAMES

BK230544 Hanoi Domestic Service in Vietnamese 2300 GMT 22 Mar 86

[Report on the Party Central Committee circular on the "providing of guidance for the Phu Dong sport games at all levels in preparation for the second national Phu Dong sport games"]

[Text] The party Central Committee Secretariat and the Council of Ministers Standing Committee have authorized the Ministry of Education, the Physical Education and Sport General Department, and the Ho Chi Minh Communist Youth Union Central Committee to launch a physical fitness drive and organize the Phu Dong sport games at all levels from now until July 1987 in preparation for the second national Phu Dong sport games to be held in Ho Chi Minh City.

Holding these Phu Dong sport games is an appropriate way to develop physical education and sports movements, intensify the steeling of students physically and ethically, and contribute to pushing ahead the emulation movement for good academic and scholastic achievement.

On 19 March 1986 the party Central Committee Secretariat issued a circular on the providing of guidance for the conduct of the Phu Dong games at all levels in preparation for the second national Phu Dong sport games. It also urged the party committee echelons at all levels to give attentive and careful guidance in order to ensure that these Phu Dong games meet the following requirements.

1. Effect a new change in physical education among various schools; lure a large number of students to participate in regular physical education and observe satisfactorily the standard physical fitness rules; and further detect and quickly train younger sports talent.

2. Further increase material facilities--training grounds, instruments, coaches, and assistant coaches--and organize and manage physical education and sports activities at various schools.

Tne Phu Dong games must realistically contribute to welcoming the party congresses at all levels and other political events in the years 1968-87.

The educational and physical education and sports sectors and the Ho Chi Minh Communist Youth Unions at all levels must devise plans to provide close guidance for these Phu Dong sport games, especially those at various schools, ensuring that these games produce real results without showing off for the sake of form and spending wastefully.

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POPULATION, CUSTOMS, AND CULTURE

MORE FAMILIES LEAVE HANOI TO BUILD NEW ECONOMIC ZONES

Hanoi NHAN DAN in Vietnamese 28 Dec 85 pp 1, 4

[Unattributed report: "Hanoi: Another 5,000 People Leave To Build New Economic Zones"]

[Text] To date, 1,223 families totaling almost 5,000 people have left Hanoi to go build the new economic zones. In 1985, redistributing the laborers and population of Hanoi underwent a great change based on redistribution at the district level. Me Linh, Soc Son and Phuc Tho districts and Son Tay City made a great effort based on this tendency. The Municipal New Economic Committee gave the districts help in examining and delineating sites to support redistributing the laborers and population.

The Thuy An, Co Dong, Ha Lam, Dong Cham and Dong Mo new economic zones quickly stabilized life and began engaging in production. Right from the start, attention was given to investing in capital construction to support production and life, particularly to water conservancy and improvement of farm land. More than 2 million dong was spent on the Dong Trang and Doi Coc pumping stations.

Almost all of the new economic zones built recently have been of the agricultural-forestry-fishing type. They have implemented the motto obtain quickly and rear a long time, carry on integrated business activities and stimulate and expand the family economy.

More than 144 hectares have been reclaimed and put into production. The crops being grown include rice, peanuts, various types of beans, tobacco, sweet potatoes, manioc and tea. Many of the crops have already produced yields. The total yield has exceeded 230 tons, including 16 tons of beans and peanuts and 3.1 tons of tobacco. Besides this, the families that have gone to build new economic zones have afforested 28 hectares of concentrated forest and planted almost 12 hectares of dispersed crops. They are raising 180 head of cattle and buffalo, more than 200 pigs and thousands of poultry birds.

11943
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PUBLICATIONS

TABLE OF CONTENTS, TAP CHI KE HOACH HOA, AUGUST 1985

Hanoi TAP CHI KE HOACH HOA in Vietnamese Aug 85 back cover

			Page
[Text]	+++	- Eliminating Bureaucratic Centralism-State Subsidization To Properly Construct 1986 Plan at the Primary Level	1
		STUDY, THOROUGH UNDERSTANDING OF RESOLUTION OF EIGHTH PLENUM OF THE PARTY CENTRAL COMMITTEE (SESSION V)	
Pham Hao		- Some Ideas on Eliminating Bureaucratic Centralism-State Subsidization, Achieving Planning Improvement	5
Luong Minh Dung		- Some Ideas on 5-Year Plan Construction	9
Nguyen Xuan Thao		- Investment Course in Marine Products Economic Sector Development	13
Nguyen Van Ly		- Organization and Planning of Raw Material, Fuel and Energy Conservation Planning	17
	+++	- Science Symposium on Eliminating Bureaucratic Centralism-State Subsidization, Renewed Planning	21
Le Duy Phuong		- Experience in Population Transfer Planning	25
Nguyen Van Hung		- Introduction of Local Labor to State Farms in Gia Lai-Kon Tum Province	27
		FOREIGN REFERENCE DOCUMENTS	
	+++	- Perfection of Economic Management Mechanism in the Soviet Union	29

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CSO: 4209/355

END